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# RATES ADVISORY COMMITTEE,

## GENERAL REVISION

OF

## RAILWAY RATES AND CHARGES.

### PROCEEDINGS OF MEETING

HELD ON

19TH MAY, 1920.



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MINISTRY OF TRANSPORT.

GENERAL REVISION OF RAILWAY RATES, TOLLS AND CHARGES.

OLD HALL, LINCOLN'S INN, W.C.2.

Tuesday, 11th May, 1920.

*Terms of Reference:—*

"The Minister having determined that a complete revision of the rates, fares, dues, tolls and other charges on the railways of the United Kingdom is necessary, the Committee are desired to advise and report at the earliest practicable date as to:—

- "(1) The principles which should govern the fixing of tolls, rates and charges for the carriage of merchandise by freight and passenger train and for other services.
- "(2) The classification of merchandise traffic, and the particular rates, charges and tolls to be charged thereon and for the services rendered by the Railways.
- "(3) The rates and charges to be charged for parcels, perishable merchandise and other traffic conveyed by passenger train, or similar service, including special services in connection with such traffic."

The evidence is issued in uncorrected form, and any inaccuracies should be notified to the Secretary, Rates Advisory Committee, Ministry of Transport, Gwydyr House, Whitehall, S.W.1.

NOTE.

Diagrams submitted on 11th May, 1920, by Sir J. George Beharrell, D.S.O., Director-General of Finance and Statistics, Ministry of Transport ... .. At end.

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# MINISTRY OF TRANSPORT.

## RATES ADVISORY COMMITTEE.

### GENERAL REVISION OF RATES AND RAILWAY CHARGES.

#### PROCEEDINGS OF MEETING

HELD ON

19TH MAY, 1920.

#### PRESENT:—

F. GORE-BROWNE, Esq., K.C. (*Chairman*).  
W. A. JEPSON, Esq.  
L. A. MARTIN, Esq.  
W. M. ACWORTH, Esq.  
S. J. PAGE, Esq. (*Secretary*).

#### FIFTH DAY.

MR. J. H. BALFOUR BROWNE, K.C., appeared for The Federation of British Industries.

SIR JOHN SIMON, K.C., SIR LYNDEN MACASSEY, K.C., MR. BARRINGTON WARD, K.C., and MR. BRUCE THOMAS appeared for the Railway Companies' Association.

MR. ROWLAND WHITEHEAD, K.C., and MR. G. W. BAILEY appeared for the St. Helens and Widnes Manufacturers and Traders.

MR. ROWLAND WHITEHEAD, K.C., and MR. EDWIN CLEMENTS appeared for the Iron and Steel Federation.

MR. G. H. HEAD appeared for the Livestock Traders' Association (instructed by Messrs. Maxwell, Brownjohn & Co.).

MR. JACQUES ABADY (instructed by Sir Thomas Ratcliffe-Ellis) appeared for the Mining Association of Great Britain.

SIR ROBERT ASKE (instructed by Messrs. Botterell & Roche and Hill Dickinson & Co.) appeared for the Chamber of Shipping of the United Kingdom and Liverpool Steamship Owners' Association.

*Chairman:* Mr. Balfour Browne and Sir Lynden Macassey, yesterday I ventured to throw out a suggestion as to a possible arrangement for estimating the capital of companies and computing the rate of interest upon that, which is reported on page 7 of the Minutes of yesterday's notes. The earlier passage is just as I stated it, but about seven or eight lines from the end there is a passage beginning, "The idea being," which is almost unintelligible. I think what I intended to say will be best expressed if it were altered thus: "The idea being that the Great Central not having paid a dividend on its ordinary capital, you would not take the whole of its nominal capital into account in fixing the rate of interest it must be allowed to earn on capital. In the case of the London and North Western or the Great Western, which have paid 7 per cent. or 7½ per cent., you would not cut them down, but on the contrary, they would get as capital more than a company which paid only 4 per cent."

*Mr. Balfour Browne:* Is that what you said in the last sentence?

*Chairman:* That is what I intended to say. I do not remember what my words were.

*Mr. Balfour Browne:* I am not quite sure that was the only thing I did not quite understand. You mean on this supposition the London and North Western and Great Western would get only the same as a company that had got nothing?

*Chairman:* No, that is what I do not mean; and I think if we alter it to, "In the case of the London

and North Western or the Great Western which have paid 7 per cent. or 7½ per cent., you would not cut them down, but on the contrary they would get as capital more than a company which had paid only 4 per cent." it will read all right.

*Mr. Balfour Browne:* They would only get on their capital the same as a company—

*Chairman:* I meant they would get more.

*Mr. Balfour Browne:* Yes, quite. May I say that this passage to which you have just been referring seemed to me, as it did when you read it out, to be most important; and although I do not like to pledge anyone at the present time it seems possible, if I understand it rightly, that it might form the basis of the fixing of rates for the future.

*Chairman:* That is what I want. I want the parties, between now and the time when we meet again, to consider that carefully, and see if we can come to an agreed principle for fixing the rates.

*Mr. Balfour Browne:* I will not say anything about it in the meantime, and I will not ask my friend to do so; but I think it is most important and we will consider it very carefully and give you an answer at the proper time.

*Sir Lynden Macassey:* May I say that the railway companies are now considering this rather in the meaning you have given this morning. They assumed that was the proper meaning the passage was intended to convey.

*Chairman:* We will now go on with the evidence.

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MR. ALFRED ALBERT WALLER.

[Continued.]

Mr. ALFRED ALBERT WALLER, called.

1397. *Chairman:* You are Traffic Manager to Messrs. Kearley & Tonge, Ltd., and a member of the Association of British Chambers of Commerce?—Yes.

1398. Will you be good enough to give your evidence?—I should just like to say first that I think the trading community of the kingdom will have no small sense of satisfaction from the hint which you threw out on the opening day that this Committee will probably extend very considerable sympathy to the suggestion that a tribunal, on which traders will be represented, shall in future be formed for the purpose of considering disputes between railway companies and the traders. As our experience of the past has been very extensively that the old system of having to appeal to the Railway and Canal Commission Court was one of which we fought shy and one to which we felt that the railway companies seemed to realise there was extreme difficulty in going to. The fact, if I might use the word inoffensively, the railway companies have been sometimes just a little bit obstinate, and it is only because we have not had some very simple formula by which we could submit our grievances and get redress. If I may, I will now go through my proof and enlarge upon it as far as I can do so. We now come round to the somewhat difficult question of standard or maxima rates, and in considering any rearrangement of the tolls, rates, and charges for the carriage of merchandise by goods and passenger trains, there should certainly be a fixed standard basis, and if, in consequence of the somewhat transitory nature of the conditions prevailing to-day, it might be regarded as the less satisfactory to have maxima rates, I certainly think there should be a uniform basis upon which rates and tolls should be built up; and as the Confirmation Rates Acts of 1891 and 1892 were the result of much careful thought, I would suggest that the tolls and charges therein fixed should be the standard basis upon which future charges should be built up. I do not wish to convey by that that the Associated Chambers really feel prepared to forego the principle that there should be a maxima formed; and that almost goes to hint as to whether this was perhaps the most opportune moment for this Inquiry because of the transitory nature of the position to-day—that is to say, where is this vicious circle going to lead us? But, after all, it occurs to me that it is something in the nature of accounts keeping; the railway companies keep their coaching department quite separate from their goods department, and they have a system of dissecting all their accounts; and if by reason of that some degree of fixity (if I may use such an expression) could be reached which shall show the increased cost of to-day upon merchandise traffic, then, in addition to having the basis, namely, the tolls under the Confirmation Acts of 1891 and 1892 as a basis for building up rates, there should be ultimately a maxima fixed as well, in order that we as traders may know that there is a limit to which the railway companies can go. Then if such a degree of fixity could be found and maxima rates were thus built up, it should always be provided that for any through rates extending over two or more railway companies' lines, the distance should be taken from point of origin to point of destination as one continuous mileage. About that you have heard a great deal, and there may be difficulties in connection with it. But, on the other hand, the intervening railway companies do not have any terminal work to perform, and we seem to feel that it should be quite possible for that to be arranged. Then, if these tolls, rates and charges became the standard basis, plus whatever percentage is necessary—that is to say, to meet the increased cost—exceptional rates for volume of traffic, ease of handling, security of packing, and increased weight by reason of packing in proportion to the value of the goods, should be granted below the figures built up upon that standard and such as are merited by the

conditions just named. In that respect I have a note of export traffic as against import traffic. There have been some suggestions as to whether exceptional rates might be granted for volume of traffic, and train loads have been mentioned. Personally, and in so far as I represent the Association of British Chambers of Commerce, I feel that if anything is to be built up on the standard of train loads we should be running very close to creating a principle whereby import traffic might perhaps get an advantage over export traffic. Train loads, when mineral traffic is being dealt with, is, of course, quite an exceptional thing altogether; but, apart from mineral traffic, we should like to see it based entirely on ton rates and not in any way upon train loads; because in the case of a ship discharging it might be a very easy matter to create train loads of goods, while, on the other hand, for export traffic it might be more difficult.

1399. *Mr. Jepson:* Would you go so far as to say truck loads—a charge per ton, but with a reasonable truck load?—Yes, I should have no objection—

1400. With a higher charge in the case of a person loading the truck if he did not make a truck load?—You are slightly anticipating something I am going to deal with.

1401. I thought you were leaving that point?—No; I shall come to that presently. Then I have a note here that here again it shall always be provided that in every instance, whether the rate be the standard rate or exceptional rate, it shall be built up upon the principle of station to station mileage—or, in other words, conveyance only—and that all station and service terminals shall be added and that set out in every rate-book kept at all stations, and that such amounts should be the sums that traders are entitled to in the event of their performing any service—the payment for which is including the rate, but which is not performed by the railway company. And in this respect I should like to refer to exceptional rates. In my humble opinion there has been a little unfairness on the part of the railway companies in the past, and, therefore, I venture to draw the Committee's attention to it in case you might be able to see eye to eye with myself, and that is, where exceptional rates are C and D, and cover all the ordinary terminals, that if any of those services are not performed the allowances made should be precisely the same as if it is an ordinary class rate, whereas under the present arrangement you get an exceptional C and D rate, and such exceptional rate is probably granted to you by reason of the volume of traffic that you give, but the railway companies repay themselves for some part of the allowance made by giving you a less amount in return for any service terminal you have performed.

1402. *Chairman:* Are you in favour, in case an exceptional rate is lower than the scale rate, of applying the Pidcock principle, that the terminals must be abated rateably?—Not quite that. There may be certain exceptional rates granted which might not carry. I think, the whole of the station and service terminals as are provided in the ordinary class rate. In that case if certain services are not included then the trader must not be expected to have more than what is included.

1403. You would have it stated every time an exceptional rate is granted at so many shillings, and to put on the railway company the obligation to state what services are included in that and how much is charged for these services?—Yes.

1404. Then if those services were not rendered there would be a rebate to the amount stated in the rate?—Precisely.

1405. *Mr. Jepson:* I think you want a little further than that, did you not? As I understood, you said this: Assuming an exceptional rate, full C and D rate, exceptional rate much below the class



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[Continued.]

rate; let us assume 50 per cent. below the class rate?—That is a wide assumption.

1406. Let us assume 20 per cent. below the class rate, and you have an exceptional rate including all the same services—the same accommodation?—Yes.

1407. You say although the exceptional rate is 20 per cent. below the class rate, yet if you do your own cartage or handling you should have the same allowance out of your exceptional rate as the person using the class rate has?—Yes, in that case; because my argument is that the reduced rate, or the exceptional rate, is granted to you upon the volume of traffic that is given for conveyance.

1408. It is not always, of course. As you know, it has been always the policy of the companies in the past to create long-distance traffic and to put one trader in competition with another, even in the latter's home market. It is really to enable one man to compete in a distant market?—That is undoubtedly the underlying principle; but I am referring more particularly at the moment to what might be termed traffic in classes 1 to 5. There are a very large number of exceptional rates granted to that traffic which are mainly based not so much in regard to competition, perhaps, with other traders in the different parts of the country as to the fact that there is a large and regular traffic passing; and in those cases the full C and D service is included in the rate, but because they are exceptional there is a very large difference in the amount of the rebate that is allowed.

1409. Supposing the railway companies, to take the other extreme, in the case where they gave you an exceptional rate very much below the class rate included nothing for station chemicals—is the one as reasonable as the other?—If nothing is included in the rate for station or service terminals, undoubtedly the trader cannot expect them; and, as the Chairman pointed out, if an exceptional rate is granted, then if it includes the service of collection and delivery, and the station and service terminals are carried out by the trader and not by the railway company, the amount included in the rate for those services should be stated and they are the amounts to which the trader should be entitled.

1410. It seems to me that this brings us up against a difficulty which has been appreciated for a long time—that is to say, the disintegration of these exceptional rates?—Yes.

1411. May I put a point to you which I ought to have put to a witness yesterday, but, no doubt, you can answer it equally well. Let us assume—as we were dealing with biscuits yesterday—that the railway companies, according to the policy in the past, are granting exceptional rates for long-distance traffic. We had Peak, Fearn's representative in the box yesterday. Supposing they were sending traffic to Carlisle, they would have a rate on a very much lower basis and very much below the maximum, and they would probably be competing with some of the Scottish biscuit manufacturers at Carlisle, which Scottish manufacturers, being so much nearer to the Carlisle market, should have rates approaching the maximum. Peak, Fearn's, having to send all the way to Carlisle, would probably have a rate much lower than the maximum, and therefore not including the station terminal. If those rates are disintegrated and put in the book, what becomes of the position of the railway companies with regard to undue preference? Here is a 2-ton lot of biscuits coming from London to Carlisle, using the same station, requiring exactly the same services as a 2-ton lot of biscuits coming from Edinburgh to Carlisle. In the rate-book in one case there is 3s. 6d. shown for station terminal and handling, and in the other case 2s. 6d. for exactly the same consignment of traffic. Do you think if that is done there ought to be some provision made that the companies should, by reason of being forced to give that disintegration, be protected against a claim for undue preference? I do not see where undue preference comes in. But it occurs to me that whatever may

be the rate between Edinburgh and Carlisle and London and Carlisle, the same station and the same services are available at Carlisle for both consignments, and if either of the parties do not carry out quite so much of these services as the other he should be entitled to the allowance.

1412. That is not quite the same point. I was putting the point to you that if the railway companies are required to disintegrate exceptional rates and to show how much they include for station terminal, as compared with the class rate which is also disintegrated, it shows a difference, and that difference might arise on exactly the same consignment from different points, involving the same amount of station accommodation, and so on?—My point is that there should be no difference; that the exceptional rate is granted on conveyance and inasmuch as the station and service terminals should be the same in both cases.

1413. *Chairman:* I understand that Mr. Jepson's point is that the railway companies do not grant exceptional rates in respect of conveyance or in respect of terminals, but grant them in respect of the fact that they want two people to compete with each other in Carlisle. The railway companies would say: "If we put it all upon conveyance and then a man does not make use of the station advantages we offer to him, we are giving him more than we can afford to give, because a man who does not use the station advantages would deduct them, and he would also get the lower conveyance rate. Now, the object of giving a lower conveyance rate is not because conveyance was cheaper; but because we are seeking to make it possible for traders to compete with one another in Carlisle." That might be an injustice to the railway company if they had to deduct the full service terminal when they were quoting a full aggregate rate?—I think, perhaps, my point would be met in your own suggestion earlier—namely, that if the exceptional rate is granted and the conditions under which the railway companies do grant that rate, that the station and service terminals, cartage, and so on, should be proportionately less, it is shown, and that, therefore, the trader in getting his exceptional rate knows full well it does not carry with it the full station and service terminal. Then in the event of that not being quite to his satisfaction he would have the tribunal to go to which this Committee has been able to hint it is in favour of.

1414. Mr. Jepson then puts another point: Supposing that is done, might not the Edinburgh trader say, "At Carlisle I am getting the same services rendered to me as the man who sends his goods from London. That is an undue inference to let a man who sends his goods from London pay lower service terminals than I pay. Therefore I shall go to the Railway Commission and say, 'Stop this as being an undue preference to the London man,' because he would say that the services rendered at Carlisle are identical in every way?—In that case I am afraid you come round to my own argument—namely, that the station and service terminals—the station being there in both cases and the services being rendered in both cases are exactly alike. In the event of the trader not doing the service he should pay precisely the same.

1415. Then the railway company may say, "We are afraid we cannot grant any exceptional rates because it would be disastrous if we did. If we put it all on conveyance alone it would not pay us."—In that case, if it would not pay the railway company presumably the trader would not want the railway company to carry the traffic at a loss. I think that is rather an extreme case, is it not?

1416. The railway company may say, "Provided we are getting, say, two sovereigns for the traffic we are content; but if we are quoting two sovereigns as the rate, and then have 10s. knocked off for terminals, 30s. does not pay us"; and it might be that they would be compelled to refuse exceptional rates to traders which otherwise they would be glad to grant

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[Continued.]

and which the traders would be desirous of having? In that case I suggest it would be a matter for the tribunal.

1417. *Mr. Martin*: I take it that if a trader wants an exceptional rate he goes to the railway company, and applies for it?—Yes.

1418. The railway companies consider the point amongst themselves, and whether you have the full terminals or only part terminals, does it matter to you as a trader if the rate answers your purpose for competition as long as you know what services are included in what you are entitled to receive?—As long as we know what services are charged for and what the amount is included then we know what we shall be entitled to in performing those services. That arose as a result of the 4 per cent. increase which was put on about July 1st, 1913. In many cases you had an exceptional rate which was probably a shilling or 1s. 3d. below the ordinary class rate; therefore you were entitled to a rebate allowance of 2s. 6d.—the 4 per cent. added—because you must understand that the 4 per cent. which was put on was on everything other than class rates, because at that time the class rates were mainly on the maximum powers, and inasmuch as there was no authority then to go beyond the maximum powers it was decided with one or two exceptions to leave the class rates out entirely. The 4 per cent., therefore, applied only to exceptionals. The result of that was that an exceptional rate of, say, 1s. 8d. became 12s. 3d., I think, while the ordinary class rate for the same traffic would be 13s. 1d. The result was that we gave instructions to the railway companies that in such cases it should be charged at the full class rate of 13s. 1d., because from that we got a rebate of 4s. 2d., while from the exceptional rate of 12s. 3d. we should only get a rebate of 2s. 6d.

1419. Therefore it is really a matter of arrangement between you and the railway company what rate is charged. As long as you know what the terminal charges are and you get a fair and proper allowance you would be satisfied?—Yes.

1420. The undue preference would only come in if that rate were given to you specially?—Yes.

1421. As long as the rate is available for other people it is not undue preference.—(*Mr. Jepson*): I am not at all sure that that is so.

1422. *Chairman*: I am not an expert on undue preference; but I understand that the danger is not that there would be any trouble between you and the company about it, but some other trader who had not got the exceptional rate would say, "I can pick out terminals, the services rendered to me under the name of terminals are identical with the services rendered to Messrs. Kearley and Tongue; I find that Messrs. Kearley and Tongue are being charged less than I am, therefore my terminals must be put down."—We are being allowed less.

1423. But it is the charge in the exceptional rate which would give rise to this?—As you are probably aware, most of these rates which are fixed up by the railway companies are fixed up with due regard to conditions in other parts of the country, and that is one of the things which has generally actuated them if they are going to give an exceptional rate between, say, London and Carlisle; there is not much doubt that they would take into consideration the effect it would have on similar traffic from Edinburgh to Carlisle. It is the same with all other traffic. If you want an exceptional rate for such stuff as stone or rock work, or anything of that sort, the probability is that you would find the railway company say, "We cannot give you quite so low a figure as you want because, although the distance is not very far, say, 20 miles out of London, and therefore you want a very low figure, we find we have certain rates which have been quoted in South Wales for similar traffic and a similar distance, and we cannot go below that." So that in most of the exceptional rates which the railway companies grant, before they grant them they are actuated by the extent to which they may be affected in other parts of the country. I

think Mr. Jepson and Mr. Acworth will more or less bear me out in that.

1424. *Mr. Jepson*: I think you are right as far as you go. The railway companies have to be careful that they do not create an undue preference in granting exceptional rates; but now they are asked to go further and to disintegrate, to put in the rate-book those disintegrations, and once they are compelled to do that it sets up a different treatment between a person near the receiving station and a person further away. I want you to say how that is to be provided against. You have made a suggestion that all terminals should be shown whether the rate is a class rate or an exceptional rate 20 per cent. below that—that you should show the same amount. That gets rid of the difficulty of undue preference with regard to terminals; but supposing the long distance and the short distance were both on the London and North Western, and the railway company elected to put the whole amount for terminals, whether on an exceptional rate or otherwise, on the exceptional rate which unduly reduced the amount for conveyance, you have not got rid of the difficulty of undue preference?—Why?

1425. Undue preference as regards the long-distance trader and the short-distance trader?—In that case you would not grant an exceptional rate. I take it, so far as an exceptional rate is concerned, to some extent it is an act of concession on the part of the railway company. In other words, I do not know that we can legally demand that you shall give an exceptional rate—but it is customary.

1426. I am afraid it might come to that. If the traders insisted upon the railway companies disintegrating these exceptional rates, the difficulties would be so great that it would really act as a break upon the railway companies in granting exceptional rates?—I agree that might be so; but you were dealing with the question of undue preference, and it occurs to me—I put it forward entirely as a suggestion—that the question of granting exceptional rates is mainly on the question of conveyance; therefore if the station be used in the case of traffic passing at exceptional rates it is only used in precisely the same way as if it goes at an ordinary class rate; therefore in both cases the amount included for such services should be the same; and in the event of their not being performed by the railway company the amount to the trader should be the same.

1427. *Chairman*: The danger is that it may result in the railway companies not granting exceptional rates, which would be to the disadvantage of the trader. That is what I understand Mr. Jepson to point out?—It has come to the position I put before, that it should be a matter for the tribunal.

1428. The tribunal cannot grant undue preferences; and if a railway company came forward and said, "Supposing you direct us to grant this exceptional rate we should be granting an undue preference," the tribunal would have to accept it?—I should have to accept that ruling.

1429. *Mr. Acworth*: The thing is very complicated if you bring in all kinds of questions of cartage, collection and delivery, and so on. Let me put to you an exceedingly simple case and see what you propose.—A to B, station to station, and nothing else. Now there are three rates put in in the rate-book. The small consignment rate is 20s.; 4-ton rate, 16s.; 8-ton rate, 12s. How do you propose to treat the terminals in these three cases?—Rate A is to be 20s., C and D?—20s. No, station to station and nothing else—the same stuff; no question of competition or anything else. They are the rates that are put in from the point of view of getting good loads. We will suppose that the rate for a small consignment is 20s., that the rate for precisely the same stuff from the same man, no question of competition, if he sends 4 tons, is 16s.; and if he sends 8 tons it is 12s.?—What conditions will you attach to the rates?

1431. None whatever, except tonnage?—A 4-ton lot gets a lower rate than the small lot and a 8-ton lot gets a still lower rate?—But if no station or service terminals are included—

1432. It is an ordinary station to station which includes station and service terminals. What will



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[Continued.]

be shown in the rate-book?—If the station and service terminals are included and each of those rates is identical, then I say that in both cases if the trader performs.

1433. I am not in the least interested in the trader performing. I want to get one stage first. What is to be put in the rate-book as a dissection of those three rates?—That they should be identical. What-  
ever is included for the station terminal, if it is the same in each case it should be shown the same.

1434. That is to say, that the whole of the difference between the 12s. and the 20s. is to be allocated to conveyance. Is that your proposal?—Exactly.

1435. It is?—Yes.

1436. Now in the first place just observe. The station and service terminals will be 3s. at each end—shall we say?—Yes.

1437. That leaves a conveyance rate of 14s. in the first case, 10s. in the second and 6s. in the third?—Yes. That is conveyance.

1438. Yes, for conveyance only. Do you think that is a proper thing?—To that my answer is this; that whatever may be the circumstances which justify, or warrant, the railway company in granting the three separate rates, they apply just the same if the figures are 14s., 10s., and 6s., respectively.

1439. Just let us think. Clearly the railway company is giving a lower rate because it is getting an economy in dealing with the traffic. That is right, is it not?—I do not know about economy in dealing with it. The idea, I take it, in giving the lower rate is because there is a larger volume of traffic; and it does not cost any more to haul at one go (we will say) the 8 tons than the 1 ton.

1440. Or at any rate it does not cost eight times as much?—No.

1441. Supposing I have 8 separate tons entirely independent to deal with in my station. Do I not need more station accommodation than if I can bring it all in in 1-truck load?—In practice, not necessarily. The station is there.

1442. Yes, the station is there. But supposing I am only given 1-truck ton loads. I shall probably not be able to get in 8 tons of miscellaneous lots?—Yes.

1443. Therefore I shall want to bring into my station two or three trucks; whereas if I got an 8-ton lot I shall want only one truck?—That is a rather extreme case.

1444. No?—That is to say, if you are going to reduce these arguments to such a circumstance as an individual consignment, as it were, or an individual set of consignments making up one given rate, I agree that you can bring forward a position which makes it difficult for me to argue against.

1445. Let me put it generally. Would you not agree with me that if a truck were fully loaded with the same stuff it would take up less room in bringing it into the station than if the stuff came in miscellaneous consignments and I could not get full truck loads?—In the analogy that we have here I think in all probability, if it came in in ton lots, you would draw your van up to the truck and put the things in.

1446. I am not talking about vans but the amount of accommodation required in the station, in order to deal with the traffic from the truck on to the loading bank. I am not thinking about the cartage beyond.—It necessarily follows that it is going to take a little more trouble to deal with eight separate consignments.

1447. I am not talking about trouble, but about space?—Yes, space.

1448. If there ought to be a lower station terminal for the full truck load, does not that seem to follow?—Yes, it does in that case.

1449. I come now to service terminal. Which would you rather have—what the Americans call a straight lot of 8 tons, or 8 different kinds of things, some of them biscuit boxes, some sacks, some parcels, some hampers, and so on—with which would you rather deal?—It is fair to assume that one would prefer to deal with a concrete mass (as it were) in preference to a heterogeneous lot.

1450. Yes, I think so. Then do you not agree with me that it would be fair to charge all the difference on the conveyance rate; that there is a reduction in

expense, and, therefore, naturally a reduction in charge where you have straight consignments—big lots—whether it be conveyance or service or station terminals, does not that seem fair?—Yes, it seems so; and if there is to be a differentiation, then I would ask this Committee to consider whether the margin of differentiation should not be less than it is to-day.

1451. I do not want to discuss that, but to see if we could not agree on the principle.—When you, as it were, disintegrate (if I may use the word) consignments of traffic in the way you are doing and bring it down to single units, I think such a thing may arise; but, with all respect, I think it is rather a sharp criticism to put upon us poor traders.

1452. *Chairman*: Supposing it were the practice at a station that a number of small traders sent in lots of 1, 2, and 3 tons, and there was a certain number of big traders who would be in a position to send in 8—if they had the necessary advantage of doing it—8, 16, and 24; one might well say, if you are going to deal with a number of small traders sending in 1, 2, and 3-ton lots, it would be much more expensive to the traders than dealing with the bigger traders who send in 8, 16, and 24-ton lots?—Yes, that does seem so on the argument. But I have always felt, as have a great many of us, that the railway companies have, by reason of their lower rebate of the exceptional rate, to some extent repaid themselves for the allowance granted. But I will not force it.

1453. *Mr. Acworth*: Supposing we can first arrive at what is a fair terminal to be put in the rate-book corresponding to the size of lot, then we come secondly to the question whether the rebate ought to be the whole or the part of it; but we might keep the thing separate if we can.—I think that would meet our wishes. Then I go on and make reference to siding rates, about which we have had no small amount of controversy in the past. Siding rates should always be arranged as between siding and siding and represent tolls only without any terminal charge, or in the case of station to private siding, then on such station and service terminals as would be chargeable in addition to the tolls at the station end and no such charges added for the private siding end.

1454. *Chairman*: Very likely you will agree with what other witnesses have said, that any services or conveniences rendered to the trader should be fairly paid for?—Yes; and set out in the rate-book so that they know exactly what they have got.

1455. *Mr. Jepson*: Several times you have referred to "tolls." You do not refer to them as understood in the railway world to mean the rate for conveyance?—I do not mean tolls the same as one railway company pays another for haulage, and so on. In connection with this feature there is a matter which was very pertinently dealt with the other day by Mr. Currington—that is to say, the closing of stations.—I have a note, but it does not happen to be in my proof, and I would like to mention here whether this Committee might not see its way, if, as a result of any decisions that may be come to, that traffic is to be allocated, and, therefore, certain stations not used, that the country cartage area should be made to include whatever was covered by the two stations. Let me explain what I mean. If you have a trader living on the remote side of a station which is closed and that station lies between his premises and the one that is open for traffic, it follows that he is going to have to cart his traffic a considerable distance further than if the station which was near to him were available for his traffic. Therefore, unless in the case of cartage services, where the railway company is responsible for it, the whole district is included, the trader will be submitted to a hardship.

1456. *Mr. Jepson*: You are speaking of the hardship where the trader carts his own traffic?—Yes.

1457. Is it not the practice of the railway companies where there are two stations within an area to agree upon a cartage boundary within which the cartage included in the throughout rate entails no extra charge being made?—Under competition, yes,

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But if you are going to do away with one station, my point was that this Committee should in their recommendations make sure that the trader is not a sufferer through that.

1458. Have you ever had a case where a station has been closed and the cartage boundary has been restricted?—No, but I am anticipating what might happen.

1459. Mr. Acworth: Are you contemplating the abolition of C and D rates altogether?—No, I hope not.

Mr. Jepson: It is a new view to the Committee.

Chairman: The recommendation is that C and D rates should be got rid of, and the railway companies have more or less agreed with it.

Witness: I have never gathered that. I thought we were always to have C and D rates.

1460. Perhaps we are meaning different things?—We want rates disintegrated.

Mr. Jepson: The suggestion so far has been, and it has been agreed to by the railway companies in principle, that the rates should be station to station, and if the railway companies carted there should be separate cartage charges at each station to cover the cost of that service. It does not mean that the railway companies will refuse to cart traffic in the future, but there will not be a rate including cartage; the cartage charge will be dealt with as a separate entity. That is the suggestion before the Committee now.

Sir Lynden Macassey: That is the suggestion for the English and Welsh railway companies, but I am not sure that the Scottish companies see eye to eye with us on that point; I cannot pledge them to accept that principle, but the English and Welsh companies do.

Mr. Jepson: I am obliged for that qualification.

Witness: As a matter of fact, I do not think the traders as a whole desire that C and D rates should be abolished, or that the railway companies should not be prepared to perform the services of cartage and delivery. The great thing we as traders desire is that when those C and D rates are built up we shall know what exactly is included for the three services and what we shall be allowed in the event of performing those services. But in the event of some traders who have not got any cartage arrangements, and so forth, it would be a distinct disadvantage that there should not be a recognised C and D rate which they might claim to be chargeable for their traffic.

1461. Mr. Martin: Small traders in small towns could not do without the cartage by the railway companies?—That is so. It is news to me that the traders generally desire C and D rates to be done away with. Our only desire is to know what they include.

1462. Mr. Jepson: Mr. Marshall Stevens was very strong upon it in his evidence?—Yes. Although I am a co-opted member of the Main Transportation Committee of the Federation of British Industries, sometimes there are one or two little points on which I do not always see eye to eye with them, and that is one.

Mr. Martin: I think you will probably get it from the answer to Question 10, "The charges for the time being made at each or either end of the transit in respect of services other than conveyance should be set out separately from the rate charged for conveyance and should so be shown in a book or books kept at each place on the railway from or to which a rate is charged. For the basis on which charges for station and service terminals should be fixed, see answer to No. 6."

1463. Mr. Jepson: I suppose we may take it as your view that you would not like C and D rates done away with?—Certainly.

1464. Chairman: Would there be any difference in your opinion between taking the C and D rate as part of the rate or merely having it always that at each station there would be quoted a charge for collection and delivery?—You see, there is a rate-book at every station which records the rates at that station, and therefore there would be certain terminal charges allowable at that station, and if they include cartage

as well as station and service terminals that would be set out.

1465. What I mean is this. The cost of cartage for collection and delivery differs enormously in different parts of the country?—Yes.

1466. As we know, it is peculiarly high in London, and, I believe, also in Liverpool; while in country districts it is not nearly so high. If you are going to have a book with mileage distance between station and station, plus the terminals which are to be charged, and so on, that might be a fairly simple book to prepare; but if cartage is to be charged according to the local rates it would differ for almost every station in the country. Of course, you might have another set of pages on which you would say that at such-and-such a station the cartage rate was so much, at another so much, and at yet another so much, not including it, therefore, in the rate at all, but having in effect a statement that the railway company is prepared to cart at these named stations for those named prices. Would that satisfy you?—Yes. I may perhaps go a little further. I was here yesterday and I heard what Sir John Simon said, that the railway companies were rather more favourable to having a common charge for provincial and country places; and, although I cannot pledge the whole of the Associated Chambers to agree with my views, in all probability it would perhaps satisfy us if the rebates were the same for the country stations.

1467. Mr. Martin: Classes?—Yes.

1468. Chairman: Only one rebate?—No, not for all classes.

1469. No; but for all stations?—Yes. You were speaking about Liverpool just now; the railway companies do make an exception, and in the case of Liverpool most of the rates arranged for there, although nominally C and D, are quoted exclusive of cartage.

1470. Mr. Jepson: Is it your impression that the bulk of the rates for Liverpool are C and D? It came out the other day that they were station to station, exclusive of London.—They are exclusive of cartage in Liverpool.

1471. Chairman: Then it might be a little different in the practice; instead of quoting a rate inclusive of C and D, you would quote a rate and it would be known that at every station there was a C and D charge, but it would differ according to circumstances?—Not necessarily, if it were a country station.

1472. No?—But it would differ between London or a very large provincial city where expenses for cartage are very much higher than in the smaller places.

1473. It has some importance, because we are aiming at a simplified rate of so much per mile from station A to station B, but there would have to be, in addition to that, a varying C and D rate not dependent on anything else?—Quite so. I would like to mention here—I have done it previously when I have been discussing matters with my friends in these Committees—the economic question. I do not wish to appear to be in any way partial if I can be otherwise, and that is why I make that remark. I am dealing with it entirely from the public point of view. It has occurred to me that it is a little unfortunate—and no doubt this Committee, if I mention it and if it is worth anything, will give it their consideration—the point is that foodstuffs and the other necessities of life very often go in small quantities, coming even under the 5 cwt. scale; but even if they do not come under the 5 cwt. scale they have still been subjected to this very heavy increase of 60 per cent., plus a flat rate and plus the two 1s. 6d.'s for cartage; while if it goes on the smalls it becomes 100 per cent. I see according to the newspapers this morning that the railwaymen are entitled to another 2s. a week increase as the result of the sliding scale that was agreed. There, again, it hinges upon the position to which you have made reference—namely, the difficulty of fixing a maxima because you do not know for what you have to legislate; and it seems to me that it would help—I do not know whether I am right—to remove a little of the difficulties of this



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vicious circle if, in considering the future charges, the necessities of life could perhaps be subject to some favourable consideration.

1474. We will certainly have to consider that, but I think we have really to consider it more at the second stage, and that it would be a reasonable thing for you, or those who work with you in the matter, to put forward a proposition that foodstuffs should be put in a lower classification by reason of the things you have mentioned. We shall consider that entirely on its merits and hear what other people have to say. At that stage of the Inquiry it will be obviously a material matter to consider.—Yes. Then what I have debated thus far relates to goods trains and goods trains service in particular. The passenger train traffic I have not dealt with to any extent, and I do not propose to do so, except to remark that we desire that the railway companies will reinstitute and, in future, afford all facilities possible, as in the past, for traders to have the opportunity to use the fast passenger services, especially in the case of perishable and fruit traffic, which traffic we would like run, as hitherto, to schedule times.

1475. Is not there a big question there? The railway companies, I understand, are compelled to carry perishable goods by passenger train under a particular part of the Provisional Orders. Other goods they do, in fact, carry by passenger train to a limited extent and at fairly high charges?—Yes.

1476. Would it be safe or possible to direct that they should be compelled to carry ordinary goods—not perishable goods—by passenger train, having regard to the quantity of space available for goods in a passenger train?—I should not like to pledge the Association of British Chambers of Commerce to say that we would wish the railway companies to be compelled to carry almost any traffic by passenger train; and personally I think that would be rather an unreasonable view for traders to take. But one of our Associations, affiliated to the Association of British Chambers of Commerce, dealing with fruit and vegetables, are very anxious indeed that they should have all the protection afforded to them and the facilities granted to them that they have had in the past.

1477. That would really mean an extension of Part V,—no, it is not an extension, fruit is always there?—Yes, they have always carried it; but owing to war conditions, and so forth, they have largely been suspended.

1478. Mr. Jepson: Is that so with regard to the carriage of perishables by passenger train as parcels?—Not necessarily the conveyance of them by passenger train suspended, but the usual fast and effective service that was granted has been largely suspended; the fruit growers and vegetable people—Covent Garden people—have known their potatoes, and so on, take perhaps three, four, or five weeks to do a journey; and it is this that they are very anxious to see removed.

1479. It is not want of facility of which you are complaining, but the fast service that you got prior to the war you want back?—That is right. I come now to the condition of conveyance by goods train, and I have asked there that the conditions should be made less onerous to the trader. What I mean to convey by that is this, the reasonableness of a rate may be affected in accordance with the conditions that are applicable. In other words, you have a certain rate granted to you; if that is going to carry with it the full responsibilities of a common carrier and the railway company are going to make amends to you for any failings or delinquencies so far as their liability is concerned, then the rate is one thing. But if, on the other hand, the railway company is not going to meet such obligations, or is going to put on such restrictions as make it very difficult for the trader to secure such compensation then the rate proportionately becomes higher. Hence I have ventured to deal somewhat with the Consignment Note. I say here I think that probably not a single trader would be found who objects to the railway companies as common carriers requiring reasonable conditions of transit to be complied with, but the railway com-

panies should not be permitted, nor should they attempt to impose such restrictions upon the trader as to almost amount to practically exonerating them as common carriers from all liability except under a most burdensome curriculum which the trader must comply with. For instance, take Clause 3 of their general conditions of consignment note. That is one of their ordinary consignment notes.

1480. Chairman: This is the pink note?—No, I am talking about the ordinary one. That is an ordinary one (*document handed*). Clause 3 of the general conditions of the consignment note is where the railway companies accept responsibility as common carriers. Originally this clause, very unfair and very onerous to the trader, read "No claim in respect of goods for loss or damage during the transit will be allowed," &c. But they have now in this new consignment note which I have given you introduced the word "delay," so that in addition to the former restrictions they have now got it: "The company shall not be liable for loss now or for damage or delay to a consignment or any part thereof unless a claim be made in writing within three days after the termination of the carriage of the consignment." I venture to suggest that it is quite conceivable that conditions might arise whereby it would be difficult to assess loss by reason of delay within three days. I would also venture to ask the Committee as to whether three days is not rather an arbitrary limit. I would suggest it would be quite reasonable if the railway companies permitted traders seven days in which to notify them of loss, damage or delay to any consignment or for non-delivery of part of any consignment. Then you will observe that the remainder of the clause goes on to say that "where whole consignments go astray the claim must be made within 14 days after despatch." This, I venture to assert, is even more unreasonable than the former, because it is not in every instance that the consignee knows of the date of despatch of any goods, and therefore I would suggest that the clause might read: "And for non-delivery of a consignment, claim must be made within a reasonable period, not exceeding three months."

1481. Is not your period rather long as compared with theirs as being rather short? It is difficult for a railway company to investigate a matter after three months, perhaps?—The railway companies seek to tie the traders down to a very limited period, but unfortunately they themselves like their extended periods.

1482. Mr. Jepson: Do you find, as a matter of practice, that this seven days condition is insisted upon by the railway companies, that is, if you do not put in your claim within seven days you are absolutely turned down?—Fourteen days.

1483. I mean within three days—are you turned down?—Yes, they have tried very extensively to turn them down. Speaking for myself, I have had to make some easy arrangement with the railway companies, because I cannot always comply strictly with it. As a matter of fact, in consultation with our solicitors, I had to institute a special form to be handed in to the railway companies for the purpose of protecting us against that. That is so far as our own domestic arrangements go of our own selves, but when it comes to our clients, who usually put upon ourselves the responsibility for seeing that they get fair redress, we find an enormous amount of difficulty in getting them to comply with it. After all is said and done, I venture to put it to the Committee as to whether three days is not rather a tight limit.

1484. Chairman: Three days does seem to be a little short, and so does 14. On the other hand, three months seems a little bit long. Could not we substitute seven days and 28 days?—I venture to think that the trade of the country generally could very much appreciate some such concession as that.

1485. Mr. Jepson: You think it is a real difficulty?—I do.

Chairman: It is not so much a matter whether the railway companies act on it or not, but there ought

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to be a reasonable time put in so that a man is not faced with some subordinate saying: "You are too late."

1486. *Mr. Jepson*: I put it to Mr. Waller, because representing the firm he does, with all their multiple shops all over the country, flooding the railway companies with claims, I was wondering, with your very large experience of this vast number of claims, you felt three days was really too short?—It is too short.

*Sir Lynden Macassey*: You remember these conditions must be reasonable in the view of a Court of Law under the Act.

*Chairman*: Yes, but it is much better that the parties should agree on something which to one side seems reasonable and to the other side is not too unreasonable than that the matter should go to the Court.

*Sir Lynden Macassey*: Wherever this point has been taken into a Court of Law, no Court has held this condition unreasonable.

*Chairman*: Not being a Court of Law, but containing business men, we might think something different from what a Court of Law does. It is a question of fact.

*Sir Lynden Macassey*: As long as the Committee have in mind that the point of reasonableness can be litigated, and has been litigated before a Court of Law, and wherever it has been litigated the Court has never held the condition to be unreasonable.

*Chairman*: If the railway companies see their way to make a concession, it would be a graceful thing.

*Sir Lynden Macassey*: We will look into it, and see whether it can be done, but you will have to hear evidence, perhaps, as to the practical necessity of a condition of that kind.

1487. *Mr. Martin*: Is not it the fact that the delays of railway companies have been three or four weeks, and if the customer wants to make a claim he would have to send the claim in when he made his consignment?—You are speaking there in connection with 14 days?

1488. *Yes*?—As a matter of fact, to comply with the 14 days Clause imposes a tremendous hardship upon most senders, because unless they are going to turn round and advise every consignee, that is to say, every client, that on such a day we despatched certain things to you, and that unless it arrives within 14 days or within 8 or 10 days you must advise us in order that we can get a claim in within 14 days, otherwise there is no redress—we have either got to do that, or else in many cases the client does not know the exact day it has been forwarded. On the other hand, the sender, not being able to guarantee that delivery will get through within the 14 days, is in the position which Mr. Martin has just indicated, namely, to safeguard himself, he requires really to make a claim the day following despatch so as to make sure he has complied with that Regulation. In fact, I think one of the judges in one of our County Courts in a case before him did go so far as to say that was the best thing a trader could do. I dare say he was speaking a little facetiously, but still it was an illustration of the difficult position that railway companies place traders in under such a very tight Clause as that, and I think, as you, Mr. Chairman, remarked, a spirit of reasonableness would certainly actuate the traders in approaching the railway companies, and perhaps something more reasonable could be agreed upon.

1489. *Mr. Acworth*: Supposing you enlarged the non-delivery period to 28 days, or any other period, there would still be the difficulty of the consignee not knowing whether they had actually been sent, or when they had been sent?—In all probability not, because it is just possible, so far as your client is concerned, that the account may become due by that time, and we should be hearing something from him in that way.

*Chairman*: You could not cover all cases, because sometimes a private person orders goods from a rose grower who does not despatch them for two months after they are ordered. There must be the possibility,

but one ought to reduce the possibilities as much as one can.

1490. *Mr. Jepson*: In practice, an invoice passes as soon as the goods are despatched, and the invoice is sent by post, and your client would get the invoice saying that the goods are despatched?—Where you are dealing with a house that has a systematic way of treating such things, that is agreed; but where you are dealing with a small trader in the country and so forth, I am afraid they do not always follow that practice. You know what country folks are as well as I do, I am sure, Mr. Jepson, from your experience of railways.

1491. You do not suggest that the railway companies have to alter all their conditions to meet what you call the unsystematic trader?—If I were asking them to alter all their conditions, there might be something in your observation, but I do not think it is going to make much difference to the railway companies to substitute some slight variation of this.

1492. The railway companies have undertaken to consider that?—I want you to appreciate that, in referring to these matters, I wish to emphasise that if the railway companies are to impose certain conditions which indirectly place a certain burden on the trader, then the rate becomes proportionately heavier for us, and I feel sure you will appreciate that is a very great point for the trader to secure your consideration of. Now I come to Clause 6 of that same consignment note where the words mis-conveyance and mis-delivery occur. In some instances, where you go beyond the ordinary cartage radius, the railway companies may employ their own agent, and if it is their own agent I think they should be held responsible, if their agent performs any incorrect carrying out of their instructions. If it is handed over to the trader's own carrier at the destination station, then there may be reason in that Clause, but, where their own agents do it, as in many parts of the country does occur, I do not think they should seek to screen themselves there.

1493. Have you got cases where they have done so?—I cannot quote them, but in all probability there will be witnesses who follow me who will be able to do so.

1494. I can understand this position, that if the railway companies hand over the goods at the request of a consignee to a private carter, and then something takes place, either misdelivery or wrong delivery or non-delivery, the railway company would say, "We are not responsible: it is the private carter who is responsible"—Yes.

1495. Do you suggest that cases have occurred beyond that?—Well, I suggest that this, as it reads there, does afford them the opportunity of putting that construction upon it.

1496. It is academic so far as you are concerned?—So far as my personal experience goes.

1497. *Mr. Acworth*: Do you suggest the companies claim that their own agent who contracts with them at a local town is another carrier?—We do not always know that he is their own agent. He may be a private individual, but we do not know whether he is acting on behalf of the railway company or not.

1498. I understood you to say if he is really an outside carrier, if he is Cripps, the carrier, then it is reasonable that the company should not be under liability after they hand the goods over?—Yes.

1499. But if he is their own agent the company ought to retain the liability?—Yes.

1500. Do you say if he is the company's own agent, and they have a contract with him to do delivery, they claim he is another carrier within this clause?—I say you might read that into it, and it might give us a certain amount of difficulty.

*Sir Lynden Macassey*: I may say we do not read that into it, and do not claim it.

1501. *Mr. Acworth*: I do not see how you could?—Then I will pass on. Then on Clause 8, I have never been able to understand why the railway companies have eliminated from their former note: "Provided that no such charges shall be made if the company have not given proper opportunity for the removal of

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the goods, or the discharge of the trucks," but have now added, "that the railway company shall have a right to charge their scale for detention of trucks during transit."

1502. *Chairman*: "During transit, in consequence of the consignee not being ready to accept delivery?"—During transit.

1503. We understood yesterday that means if the goods are stopped at the siding by reason of the consignee not being ready to accept delivery, then they would charge. That does not seem unreasonable, if it is really in consequence of the consignee not being ready to accept?—I was not here, and I did not hear that explanation.

*Mr. Jepson*: It is limited in the Clause.

1504. *Chairman*: It says in the Clause: "In consequence of the consignee not being ready to accept delivery?"—If the explanation of that is, if it be kept outside at a siding or at some sorting siding or something of that sort, by reason of the customer not being able to take delivery, then I pass that. May I exclude Clause 12 altogether also. Then Clause 13 is one which I wished to deal with, but I would also strike out Clause 13 after what you and Mr. Jepson have just stated. I will leave that. Now I come to the question of "smalls." This is a question that I think affects many traders about the country. I will read my notes. There is the question of smalls, and here (if large quantities of tonnage and also regular traffic are to have a consideration against the casual or smaller quantities of traffic) a similar concession should be made, and I think Clause 12 of the General Railway Classification should certainly be amended, and where the trader gives the railway company a full van load of goods—even though from more than one warehouse and made up of consignments for various destinations, although individually under 3 cwt., but which repeat themselves on each load, and are in the same class, and collectively exceed 3 cwt.—such various consignments to the one destination, the carriage all being paid by one party, should be allowed to be charged together and not as separate consignments over the railway, as though they constituted separate collections instead of van loads. May I explain a little more fully what I wish to convey there? The railway company might be asked to send and collect a consignment of 1 cwt. of bacon. It might also be asked to go to another warehouse and collect a consignment, we will say, of lard. Those would be two separate collections, and a van probably in each case would be sent, and therefore, for the purpose of charge, such consignments will be regarded as separate consignments and chargeable under the smalls. To that I have no objection whatever. But if the railway company are asked to send a van to one warehouse, and instead of getting a consignment consisting of 1 cwt. of bacon they get a consignment consisting of two tons of bacon, making up 40 consignments, each of 1 cwt., going to 40 separate places, and then another van goes to the other warehouse, and likewise picks up two tons of lard consisting also of 40 cwt., going to 40 separate places, to each of the same 40 places as appears in the case of the bacon, and then you perhaps get a third van which goes and picks up an equal quantity of margarine, likewise repeating itself to the same places.

1505. *Mr. Jepson*: Or sugar?—Or sugar if you like, but I am dealing with bacon, lard, and margarine, because they are in Class 2—the sugar would be in Class 1—I venture to ask you to consider that it is rather hard upon us that in each of these 40 consignments we have got to pay for them over the railway as separate consignments, although there is no separate service of collection made for each of the consignments. They all go on one day. The carriage is all paid by one person. As illustrating to you the effect that that has in our charges, I have just roughly sketched on some figures.

1506. *Chairman*: It is obviously a case which would arise very freely in the case of multiple shops. I suppose there is hardly any other set of circumstances

in which it would exist?—Yes, it might do. A fairly large provincial trader might buy his sugar from one man and he might buy his flour from somebody else, and he might buy his syrup from somebody else; and they might be coming on the same day from London, and he would be paying the carriage. Provided it was delivered to the railway company in bulk—

1507. He would not get it grouped together?—No. 1508. That is to say, the lard and the bacon would not be going to the same place?—They would all be going to him, and going to the one place.

1509. They would be collected at three different places?—Yes.

1510. That doesn't come within the instance you gave where there were 40 consignments of bacon collected from one place and going to a number of different places?—Yes.

1511. This is the converse instance: 40 consignments collected from different places all going to one place?—Yes; it cuts both ways. In the case of those 40 consignments going from different places to one man, they must be loads in each case. If they are odd separate consignments, that is to say, if the railway company has to make 10 different collections from 10 different parties, well, they are all separate collections; but that is a little different from what I was dealing with.

1512. Your point seems quite clear with regard to multiple shops as being something that would arise every week in the year?—It does, every day in the year.

1513. That is the case with multiple shops, but that is about the only instance in which it would arise?—It arises more with us than with anybody else undoubtedly, because of our magnitude; but it is quite conceivable it would arise with other people.

1514. It would arise with other people who have multiple shops?—Yes.

1515. Unless it was a central body dealing with what are practically a number of branches, it is hardly a possible set of circumstances?—Not to such large extent; I have taken rather large figures, namely, 40 consignments, because we deal in large numbers; but I think it is quite conceivable the same thing would occur in the matter of perhaps four or five consignments.

1516. With people who had a number of branches scattered over the country?—Yes.

1517. *Mr. Martin*: Some wholesale country dealers sending to smaller retailers in the district?—Yes; that would be the same thing. It would apply to them. It is a very serious thing. I have just run out very briefly here some figures which I have taken quite promiscuously from one of the railway company's accounts. I can give any number of similar instances.

1518. *Chairman*: Is not it a case rather for an arrangement for a separate collection rate? At the other end you would be an ordinary trader; you would have small consignments being delivered separately. Would not the case best be met by your asking the railway company to give you an exceptional rate for collection?—In the event of the disintegration of rates perhaps it might be got over in that way; but for the time being we have the C and D rates. I am not complaining quite so much from the point of view of the charge for cartage and for the conveyance over the railway, because it is brought under the smalls scale.

1519. Over the railway it is going to 40 separate places, and therefore it would be smalls?—The first load goes in 40 separate consignments and the second load goes in 40 separate consignments and the third load goes in 40 separate consignments, but they all go together on the same day.

1520. They are all grouped together at the station?—Yes.

1521. They are grouped in A, B and C when they start, and at the station they are grouped X, Y, Z, and each is over the amount?—Over the 3 cwt. limit.



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1522. *Mr. Jepson*: They have to be put in 40 separate trucks by the railway company at the station and that means quite separate handling, although you might have 40 consignments of bacon and 40 consignments of butter and 40 consignments of margarine for the same 40 places. Your suggestion is, because the railway company can take one consignment for Birmingham of butter, bacon and lard and put it in the same truck, you ought to have some preference?—My point is that those three consignments should be charged as one consignment and not as three.

1523. If you had 40 consignments of bacon going to the same place, you can lump those together, although they may be for different consignments at the other end?—Yes.

1524. And pay the split delivery charge?—And pay the split delivery charge.

1525. So that, if there are several consignments going to the same place for different consignees, you do get the principle you are asking for conceded?—Yes; only in this case there is no split; they are all going to the one destination at the one end.

1526. Would it not be rather putting the people who supply these multiple shops in a preferential position as regards the others? Take two men in Birmingham: one dealing with a firm that supplies multiple shops. He can go round to the warehouse and draw his bacon, his butter, his lard and his margarine from the same warehouse?—Yes.

1527. In the case of the concession you are asking for, if another man had to go to separate warehouses for his lard, his butter and his margarine, you do not suggest it should apply to him?—If he has paid all the carriage and the collections are made in bulk at the other end, yes.

1528. You do not suggest that if it is a separate collection going to a separate house?—No.

1529. You do not include that?—No. I do not see that he would get any undue preference any more than in the case of the man who gets the rate for four tons of stuff, as compared with the man who sends only one ton. If you have a ton rate, 25s. a ton for carrying traffic from A to B, and you give an exceptional rate of 20s. for four tons, the man who gets the 20s. for four tons has just as much preference over the man who has to pay 25s. for one ton as we have over an ordinary trader, because we are able to bulk our stuff.

*Mr. Jepson*: That is the same point.

1530. *Mr. Acworth*: I suppose because you send to a particular place it does not follow, as a matter of fact, that the same amount of lard and margarine and butter all accompany it?—No.

1531. There may quite well be 40 consignments of bacon and only 37 of lard and 33 of butter?—That is right.

1532. It seems to me as though it is rather imposing a task on the railway company. The man banding the goods gets a side of bacon, and he has to hunt about to find if there is any lard to go with it?—I think you know very well the loading that goes on at the stations far better than that. A truck is standing at the station. If there is in that day. Let us say the Birmingham truck is standing there. As the Birmingham traffic comes in it is put into the truck; and as the Liverpool traffic comes in it is put into the Liverpool truck; and as the Sheffield traffic comes in it is put into the Sheffield truck. We send in three vanloads of stuff in fairly quick succession one after the other, and there is in them a consignment of bacon for Birmingham; that would be put into the Birmingham truck. There is a consignment of bacon for Liverpool; that would be put into the Liverpool truck.

1533. There will be a note for one cwt. of bacon?—Yes.

1534. And another note for one cwt. of lard?—That is right.

1535. And another for one cwt. of butter?—That is right.

1536. He has to number them in separate consignments, each charged as they go in, but he has to be

sure whether there are lard, butter, and margarine to correspond, as it seems to me?—No, I do not ask them to make sure at all. This stuff is all put into the truck going to that particular destination. Then the consignment notes are all handed in to a section of the invoice staff. All Birmingham will be dealt with by one man, and all Sheffield will be dealt with by another man, and he will have all three notes all together. So long as they are in the same truck, it should be invoiced for the one charge.

1537. But suppose they have a lot of other fellows' stuff in as well?—That is nothing to do with me.

1538. It gives the man a very large amount of responsibility for sorting and being sure whether you have got two lots or four lots?—No, if I might differ from you. The van arrives with the stuff, and he is bound to sort them as they come off the van. He has to put the Birmingham goods in the Birmingham truck, the Sheffield goods in the Sheffield truck, and so forth. He is not asked to do anything different to that. When it comes to the next load, he takes them and puts them in in precisely the same way. The notes are handed in together. It is the same checker probably who deals with them and hands them out.

1539. *Chairman*: It seems to me this is hardly a matter of general principle, but a matter of detail?—It is a difference of 40 per cent. increase in the rate.

1540. With one or two particular firms. I think it is the sort of case which ought to be brought before the tribunal ultimately. We can hardly make a general recommendation for the revision of rates on the point?—All right. Now, the question of owner's risk rates. In common with everybody else, we consider that the railway companies should grant us alternate rates, namely, owner's risk and company's risk rates. But one of the features in connection with it was what was specially mentioned yesterday afternoon, namely, that the companies have introduced the word "loss," and it has been interpreted to mean the loss of a whole consignment. I submit to you that whether traffic be carried under owner's risk conditions or company's risk conditions, the traffic is only handed to the railway companies' custody, and they should not be allowed to put in a Clause in the owner's risk note to seek to justify themselves for having lost the package altogether. I should also like to ask you to consider the relative allowances to be made from the company's risk rate for owner's risk conditions. In passenger service, generally speaking, the owner's risk rates are 50 per cent. below the company's risk, but in the matter of goods train services the proportionate reduction, in my humble opinion, is not by any means commensurate with the extent to which the railway companies seek to be relieved by the owner's risk conditions. I hope that that will receive your consideration in due time.

1541. We shall take that into account when we do know what the owner's risk and the company's risk are going to be; and when we are fixing this classification of rates, we will fix what is to be the percentage allowance, upon which we shall refer to a good deal of evidence?—Yes, and you will not forget our contention on the conditions.

1542. No?—There is another thing I want to make very special reference to, and that is the extent to which railway companies are seeking to increase the number of articles which they will only convey at owner's risk, unless specially protected by packing. Yesterday afternoon, Sir John Simon referred to his traffic as something that they are not bound to carry. I would really like to ask him or the railway companies through you whether, when he made that remark, he was specially referring to the list of articles in the general classification which are entered there as those which the railway company are only bound to carry if properly protected by packing, or whether he was referring to everything.

1543. "List of articles which, if not properly protected by packing, will only be accepted by the railway company at owner's risk." Then it says: "The following is a list of damageable goods, but it is not

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exhaustive."?—I understood Sir John Simon, speaking on behalf of the railway companies, to say that certain goods which the railway companies seek to convey only at owner's risk they are not bound to carry. I should like to ask whether he would include tea under such a category as something which the railway companies as common carriers are not bound to carry.

1544. Unless properly packed?—Unless packed; I should object to the words "properly packed," which is packed according to some very arbitrary method which the railway companies have themselves devised.

1545. Tea is not in this list at all?—No.

1546. Mr. Jepson: This is not the full list. It does not include eggs. You would not suggest the railway companies should carry eggs at their own risk unless they were properly packed?—Eggs is a very old question. I would prefer to leave them alone. As a matter of fact, I had a dispute only the other day on this question. I have mentioned tea because the railway companies have refused to carry loose tea unless packed in lead-lined boxes or in canvas bags at owner's risk. I spoke about this matter some long time ago to Sir William Marwood at the Board of Trade. For years loose tea travelled in ordinary chests or ordinary boxes lined with good stout strong brown paper, and it passed in perfect security, and there seldom was any difficulty—in fact, I do not remember a single instance where we had any trouble. Now the railway companies say, unless you protect them like that they will only carry them at owner's risk. They make no allowance whatever to us in the rate. We have to pay the full company's risk rate, and at the same time they insist on an owner's risk note being signed, or they refuse to have the traffic, and then under that owner's risk note they seek to relieve themselves of liability for the total loss of the consignment.

1547. I see there is a note in the classification under tea on page 192: "Note: Tea, when sent loose in wooden or other packages not effectively lined with lead or other metal, or alternatively, not covered with an outer envelope of close canvas, properly sewn and corded, or when sent in bags, is only accepted for conveyance at owner's risk."?—That is in the basis of the classification.

1548. Yes?—Our point is this—and in the tea trade they are especially very concerned over it—if it has got to be conveyed only under owner's risk conditions, we should at least be entitled to a considerable reduction in the companies' risk rate.

1549. Mr. Jepson: Is it your suggestion, following up what you said just now, because, by passenger train, the rates are generally 50 per cent. at owner's risk of those at company's risk, this tea should be carried at 50 per cent. below?—No, I am not referring to any specific item so far as the goods train service is concerned. I merely drew attention to the fact that, in the case of the passenger train traffic, the passenger train department, or the railway companies in their passenger train department, do make a very reasonable concession to the traders for relieving them from their ordinary obligations as carriers; but when it comes to the goods train service, broadly speaking, the allowance from the company's risk rate is scarcely commensurate with the degree to which they are relieved of responsibility, especially under the owner's risk note.

1550. Chairman: If we got a proper percentage of owner's risk reductions indicated by letters similar to X, Y, Z, then your contention is that articles not properly packed should get at least that reduction?—Certainly.

Chairman: We will hear what the railway companies have to say about it. They may say that not being properly packed there is more risk, but if you are going to take the risk, it seems to me it does not matter.

1551. Mr. Acworth: Might I ask you a question on the principle of owner's risk? Do I gather you consider 50 per cent. reduction is a reasonable allowance for the risk?—Well, to state absolutely definitely that it is reasonable I ought really to be able to make some comparison of figures, and so forth; but broadly,

and in the abstract, I am bound to say that to reduce the rate by half does seem reasonable.

Mr. Acworth: In other words, it seems to me to imply that you may fairly calculate that for every two consignments sent one arrives.

Chairman: It is half the rate, not half the value.

1552. Mr. Acworth: I follow your point. The company is to charge half the rate?—Yes.

1553. That is for mere insurance?—Yes, but under no circumstances do I think that the railway company should be allowed to contract out of their liability as common carriers to hand over the consignment again to the party.

1554. I do not want to discuss the details, but I only want to know the percentage?—Yes.

1555. Let me put it in this way. Supposing you were insured outside with Lloyds, do you think they would charge as much as half the rate? Supposing the company carried it at owner's risk, do you think they would charge as much as half the rate to cover the risk?—I am afraid I do not quite catch that question.

1556. Suppose there is an owner's risk rate of 10s., and you wanted to cover the risk of loss, do you think it probable that the rate that Lloyds would charge would be as much as 10s.?—You are reversing the position altogether.

1557. Chairman: Supposing the company were carrying at a charge of £1, and wanted to get their responsibility taken off their shoulders, do you think that Lloyds would charge them 10s. for taking it off their shoulders?—That would be double the rate.

1558. Half the rate, 50 per cent.?—I do not know. I really do not know what Lloyds would do. I cannot answer that, but I do not think you have quite followed me. My point was this. I am not grumbling at the 50 per cent. I am not complaining of the 50 per cent. being knocked off.

1559. Mr. Jepson: I think you said you regarded it as reasonable?—I regard it as reasonable.

1560. Mr. Acworth: Let us take the X, Y, Z classes. Do not you think a reduction of 10 per cent. in the rate is quite enough to cover the actual risk? I am not discussing whether the quantum is reasonable at all, but do not you think a reduction of 10 per cent. in the rate is really quite enough to cover the risk?—No, I do not; I should think more like 35 per cent.

1561. Then the risk must be much larger than I thought?—You must bear in mind exactly what the railway companies seek to get the trader to relieve them of under their owner's risk clause.

1562. Chairman: What sort of percentage of the number of consignments would a claim be made upon when goods are carried at the company's risk? Would one consignment in ten or one consignment in 100 give rise to a claim?—Well, I could not answer that offhand. There is any quantity of traffic passed on which there are no claims arising at all.

1563. That is what I thought?—It is rather difficult to speak unofficially here, as it were, but not very long ago I was speaking to one of the principal officers of one of the railway companies, and he himself made the remark that he had seen exactly how careless some people are in handling their stuff.

1564. We have all seen porters dealing with things?—Yes. You see some of the labouring class say, "Here you are, Harry; don't drop it," and it goes through his fingers and down it goes.

1565. There is not one claim in 100 consignments, is there?—Are you referring to consignments?

1566. Yes.—Probably not more. The risk is really very, very small. It is for that reason that we think a percentage allowance on the X, Y, Z scale is not commensurate with the risk the railway company are relieved of.

1567. I thought you said the risk was very small? The amount that the company is called upon to pay on the company's risk goods as compared with the number of consignments and amounts they receive for carriage is very small, is not it?—I am afraid I have not followed you.

1568. Mr. Jepson: There is a little misunderstanding as to what we are at. Are you suggesting that

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generally the railway company should give owner's risk rates for all classes of traffic, or should they practically compare the experience of the last few years past, which has been embodied in this classification under which certain articles are carried at owner's risk, or, alternatively, at company's risk. You are not suggesting that the owner's risk system should be applied to all traffic in this classification?—No. Where owner's risk rates are granted and where owner's risk conditions are imposed, I think that the allowance from the company's risk rate to the owner's risk rate should be greater than what has hitherto been allowed.

1569. Although you say the risk is a very small thing, yet you say, 10, 15 or 20 per cent. on the X.Y.Z. scale is not sufficient?—No, I do not think so, not to the extent which the railway companies are relieved of responsibility.

1570. Mr. Acworth: Those X.Y.Z. scales have been in existence for a very long time?—Yes.

1571. Is it the custom of traders dealing in these commodities to use the owner's risk rate or the company's risk rate?—Well, I cannot answer that. There will probably be other witnesses who will be able to answer that, because I personally do not use them. I know in days gone by through my experience of railways—and I had 17 years with one of the principal railways, and I used to know everything from the making out of a consignment note to a goods balance sheet, and from a parcel waybill to a coach balance sheet, and I was finally in the goods manager's office—generally speaking, where the X.Y.Z. scale applied to traffic, in those days the people used to like to have the goods under those conditions, but to-day I do not know how it is, as I do not have anything to do with it to-day.

1572. That would seem to imply that the concession was adequate enough so as to make them not want to use the company's risk rate?—No, I beg to join issue. They accepted the X, Y, Z scale for the sake of getting the concession, but at the same time they were not satisfied.

Mr. Acworth: They would like more.

1573. Mr. Martin: You will agree now that claims are very great on railways for loss and damage?—The claims which arise on the railway companies to-day are unfortunately very inaccurate. We experience to-day an enormous amount of indifference and carelessness, I am afraid. When you refer to what I said with regard to the amount of risk, I was really referring to the company's risk rates.

1574. Chairman: Of course?—There was some mention made yesterday with regard to claims arising on the old owner's risk clause for total loss. I cannot get any cases exactly in point, but possibly you may have some other witnesses who will follow on, who will do that. I think that gets me to the end of my argument, except that I would like to say that I associate myself generally with the replies sent in to the 14 points from the Association of British Chambers of Commerce, and more especially do I associate myself with the last four paragraphs under the heading "General," and particularly with Clause (a). We desire to submit that it should be the aim of the Minister of Transport to place the railways as early as possible upon sound commercial working basis, and then so soon as that can be brought about the undertakings should be unfettered by the State, except in so far as Acts of Parliament may be governing the railways. It is also hoped that Parliament will also enact such legislation as will prevent the railway companies from adopting secret working agreements to the disadvantage of the trader. I have no doubt that the extent to which railway companies are effecting working agreements which in their effect, if not by their design, are something of a drawback and a burden to the traders, is a matter which will come within your consideration.

1575. Chairman: That is to say, they prevent competition?—I do not advocate competition in the same sense that we had competition 20 years ago, but, speaking as an individual—and I have mentioned this

more than once at meetings of the Federation of British Industries—I should very much like to see—and I think the trade of this country, as well as the country itself, would decidedly benefit if there were—what I term healthy competition, that is to say, competition which shall be calculated to make the railway companies put out their best endeavours in the interests of fostering and developing the trade of the country.

1576. Mr. Martin: As competition used to do before the war?—That somewhat expensive competition of what I may call violent canvassing ceased before the war, and I do not ask for that to be reconstituted at all, but at the present day, in consequence of conditions which perhaps are mainly the result of the war, the railway companies now simply treat you in this way: "If we can, we will, and if we cannot, we won't." And one has to put up with it. There still may be difficulties arising, as, for instance, when a railway company quietly closes its gates at nine o'clock in the morning, and no one knows anything at all about it, and traders who have two or three loads there go there and cart them back, and keep their vans under load all day, and must get round very early next morning and so forth. That is a great burden and a great loss to trade. It is one we have tolerated without much complaint, realising the difficulties which were created as a result of the war, but we are very anxious to get that sort of difficulty removed. It was mainly in the hope that, if the economic position could be improved, and if the result of your consideration and deliberations could in any way assist in improving the economic condition, then the workers will have better heart to deal with things as promptly and as expeditiously as they can, thus assisting in what, after all, I feel sure, is the main object of the railway manager—to develop trade and to foster trade, and to bring the country back again into its condition of prosperity.

1577. Mr. Jepson: Do you suggest if there should be anything in the nature of grouping such as has been suggested in this room—for instance, the Great Central, the Great Northern, and the Great Eastern were grouped together, and the North-Western and the Midland and Lancashire and Yorkshire were grouped together—that in some form there should be set up the old system of competition which used to exist between the separate entities—that is, the same sort of competition should exist between the groups as existed between the separate entities?—Yes; in a measure I do think so.

1578. I thought that was running in your mind?—In a measure. When I say "in a measure" I use the words deliberately, because I am perfectly well aware that there was an enormous amount of unnecessary waste and competition twenty years ago. I also know where there is a great amount of waste in the management of the railways which does not come within the scope of this.

1579. If all the railways were worked as one under the same system you would get rid of competition altogether?—Then you are getting very near the principle of nationalisation.

1580. For that very reason you would be against nationalisation?—I am dead against it, and I am dead against State control, except so far as the railways may be governed by Act of Parliament.

1581. You are an old railwayman, as you told us just now?—Yes.

1582. You have had a vast experience in the commercial world since?—Yes.

1583. Have you any concrete suggestion to put before us as to the principles upon which the permanent system of rates should be framed to take the place of what is now a temporary system? In the early part of your evidence you got perilously near the question of cost, because you were saying that the railway companies knew how much it cost to convey traffic by passenger train and by goods train. I do not think they do, but still that was in your mind?—The costing is always kept separate from the goods—you know that.



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1584. Not so far as the cost of working is concerned, or do you suggest it is so far as the cost of working is concerned?—I suggest that if you have all the various departments sub-divided, then it is a question of percentage against the total cost of the railway.

1585. Do you suggest that the railway companies have got such information as that, and they divide up the cost of their permanent-way men, their signalmen and men who are acting commonly for both passenger traffic and goods traffic—do you suggest they divide it up at present in any form of accounts?—I do not suggest or state that they do. I have no evidence that they do. My point is that it should not be a matter of great difficulty for them to get it out.

1586. You have heard what has been suggested that the pre-war rates, at any rate, ought to be taken as a basis, and instead of class rates they would be turned into scales for class traffic, and exceptional rates turned into exceptional tariffs for exceptional traffic, and all those would be based on the pre-war rates plus percentages, without giving the quantum of percentages now. Do you think that would be a fair thing, rather than attempting to revise the whole system upon some basis of cost or capital value, or anything of that kind?—I think this: That in the attempt to create revision you must have some basis upon which you should go. The pre-war rates being, so far as class rates are concerned, nominally on the powers, and the exceptional rates having been created with due respect to that, that might be a very reasonable foundation upon which you should work. I have no doubt it is well within your own mind that it would be very disastrous to sweep away all or many of the exceptional rates, such as was partly suggested by Mr. Marshall Stevens. I think, if I remember aright, you, Mr. Chairman, saw the difficulty about that, and probably have some knowledge of the awful chaotic condition that arose as the result of so many exceptional rates having been cancelled in 1893, I think it was.

1587. *Chairman*: Have you any suggestion as to how we could, as a practical matter, deal with exceptional rates with a view to getting rid of the obsolete ones and retaining the ones which are still necessary?—I should imagine there is a very large number of exceptional rates which might be fairly grouped into one category or into a series of categories, perhaps three, four, five or six, and then they could all be regulated according to scale.

1588. You mean bringing them into a tariff such as we discussed?—Yes. Then as to the exceptional exceptions, there lies a terrible trouble, and I am afraid I could not, right off the reel, give you any concrete idea as to how to deal with them.

1589. You have had experience both as a railwayman and as a trader. If, in the course of the next week or ten days, you could think out any scheme which would be a practical one for sweeping away what I call obsolete rates, but maintaining those which the country really wants, and would send it to me in writing, I should be very grateful?—If I can do anything to help you, I shall be only too delighted.

1590. *Chairman*: If you could think out a way which would be practicable it would be a great help. You have seen the various suggestions, I imagine?—Yes.

1591. It may be something has occurred to you. At present the position is we have had it suggested that the companies and the traders should try and agree within a limited period of time which of the exceptional rates were to be saved and all the rest were to go. There has been no attempt to agree which were to go, but we might agree those which were to stay and sweep away all the rest. That is the nearest we have got to any scheme at present?—Yes. I take it, in discussing that, you would have due regard to the fact as to how long it is since a given rate has been made use of.

1592. I would take it so?—It seems to me that is one of the bases upon which they would have to go, as to how long it is since a given rate has been made use of.

1593. If it had not been made use of for a dozen years, or 10 years?—If a given rate had not been made use of once for a year, I should feel inclined to suggest that is one which should go.

1594. *Mr. Acworth*: Let us take a very simple case of the way you might divide it—take the case of a signalmen. A signalmen passes a number of goods trains and a certain number of passenger trains. You would have to divide his wages, the rent of his signal box and its maintenance, between goods and passenger traffic. You agree that?—Yes.

1595. At one box there are 10 passenger trains and 20 goods trains, and at another box there are 8 goods trains and 30 passenger trains, and so on?—Yes.

1596. What would you do? Would you make an apportionment for each box, or would you average out your signalmen over the line?—I should feel inclined to average the whole of the signalmen over the line. For instance, you could take the passenger receipts. They would form a certain proportion of the earnings of the railway company, and in like manner the goods and minerals and so forth would form a certain percentage, and therefore I think that the cost of the signalmen and the permanent way could likewise be allocated to the passenger traffic and the goods and minerals in the proportion their receipts bore to the whole.

1597. Then we are to assume that the percentage of the profit on all the goods and all the passengers are identical?—Not necessarily. If I may put it in this way, you are asking me how I would apportion the cost of the signalmen.

1598. And a number of other things that are directly employed in that way?—Well, it does not matter whether your profit on a passenger is a bit more than on the goods. The men have to be there for the same thing, and in proportion to the passenger receipts are 10 or 15 or 20 per cent. of the gross earnings, well, the goods are, say, 85 per cent., and it would seem to me it is fair to place a similar proportion of the cost to the signalmen.

1599. Supposing the Ministry of Transport said receipts are now so large that we can leave the goods rates as they are, and we can alter the passenger fares from 14d. to 1d.; that would alter the proportion?—Of course it would.

1600. The result of that would be, it would appear, to alter the cost of doing the goods business?—Exactly.

1601. Though you have not made the smallest difference in the number of the men you employ or anything else, but you have altered the cost of doing the goods business by altering the charge you make for the passengers?—Well, certainly, and you could reverse it and put it the other way if you like—any difference made to one moiety is going to affect the other.

1602. It is not a difference of cost; it is only a difference of charge?—Excuse me, if you are going to add another 1d. to the passenger train fare and make no difference whatever with regard to the goods and leave that as it stands, it is obvious you are upsetting the balance.

1603. Yet you have not altered your real costs one bit?—They have not been altered, but if the passenger service is suddenly going to increase its earning power to the whole by 1 per cent., then I should say it is fair to increase the cost of the signalmen by the same proportion to that department.

*Mr. Acworth*: It does not seem to have much relation to fact.

*Sir Lynden Macassey*: The Railway Commissioners have so pointed out.

*Mr. Balfour Browne*: Before you adjourn may I say one word? On the 7th May we wrote to the Ministry of Transport to ask whether the question of the conditions in the consignment note was to be inquired into by this Committee. Mr. Waller has been giving a good deal of evidence about that. We pointed out

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to the Minister that we, the Federation, had taken the opinion of counsel, and had been advised that the railway company have no power to enforce such conditions, either by statute or by common law, and that they are not entitled to press the trader to agree to conditions which are in the nature of a special contract under a threat that facilities will be withheld. But we pointed out at the same time that, although we were quite prepared to discuss that matter in a court of law, we thought it most inopportune to take any action on conditions, when this tribunal was just about to sit on the 11th, and we asked the Minister if it was really going to be inquired into by you or not. We pointed out all our objections, many of which Mr. Waller has very clearly pointed out, to the Minister, and what we claimed was that a trader who has tendered his goods for carriage at the ordinary rate and tendered the proper charge, at the same time also giving particulars of his traffic, as required by the Railway Companies Clauses Act of 1845, Section 89, was entitled to have his goods conveyed without any conditions at all. That is what we pointed out. Of course, that always leaves the question of owner's risk and company's risk upon. That we are desirous of having, as far as my clients are concerned, settled in the way you have suggested by a clause. It is not only in consequence of our not having had an answer that we have not called any evidence with regard to the consignment note or conditions, but also because in many respects we think it quite an illegal document.

*Chairman:* Speaking without preparation, the law I believe to be correctly stated in this way: that the railway company is bound to carry any goods that are tendered to it. It therefore cannot impose conditions, because that would be a refusal to carry, but it can offer concessions in consideration of the trader accepting conditions.

*Mr. Balfour Browne:* Certainly.

*Chairman:* What we have called owner's risk is a case of the company offering to carry at less than the statutory rate if the trader will agree to certain conditions.

*Mr. Balfour Browne:* Certainly.

*Chairman:* What is the fair and reasonable amount to give to the railway company is a fair matter for discussion. If it can be agreed, well and good. If it cannot, the railway company may refuse to carry except at the full rates.

*Mr. Balfour Browne:* If this Clause were adopted and included in the Act of Parliament, there would be two conditions. The trader would elect to have his goods carried either at the company's risk at a higher rate, or the owner's risk at the lower rate, but those we say are the only conditions that should be put upon the trader. We claim the right to send our goods, if we are prepared to pay the proper rate at the proper time, and to tell the company where the goods have come from and where they are going to.

*Chairman:* There might be the third case that the railway company will say: "We will carry yet cheaper if you will concede yet more conditions."

*Mr. Balfour Browne:* I do not think that is so.

*Mr. Acworth:* Is the company bound to carry anything that needs special conditions as to packing?

*Mr. Balfour Browne:* That is a totally different issue. I am taking ordinary goods in the ordinary condition where there is no packing at all. Take iron or coal; they are bound to carry those goods if I offer to pay at the time the amount that they have in their rate book, and they have no right to say, "No, you must sign a consignment note." All I am bound to do is to tell them where they are going to and where they have come from.

*Mr. Acworth:* Where does the railway company get the authority to insist on packing?

*Mr. Balfour Browne:* I think under the classification there are certain provisions with regard to articles which are to be packed and unpacked and other things.

*Chairman:* Is not it also a matter of common law that the thing delivered to the carrier must be delivered in a reasonable condition for carriage?—You could not deliver tea loose in a pile.

*Mr. Balfour Browne:* Yes. The ordinary common carrier is not bound, supposing he is hiring himself out to carry passengers, to receive a drunken man. Any ordinary person may pay the fare and if there is room for him he can claim to be carried, if he is in a proper condition.

*Chairman:* I think it must be in such a condition as the goods can reasonably be carried in. I think that is part of the common law dealing with the carrier's rights.

*Mr. Balfour Browne:* I only want to say, although Mr. Waller has been giving evidence, we have not proposed to give evidence on that point in consequence of the position we have taken up.

*Mr. Jepson:* Was that letter written on behalf of the Federation of British Industries or jointly with the Associated Chambers of Commerce?

*Mr. Balfour Browne:* It is only signed by the Federation of British Industries, so I take it the Associated Chambers of Commerce are no party to it.

*Mr. Jepson:* You have been acting together in so many things, I thought probably it was a joint letter.

*Mr. Balfour Browne:* It was written on the 7th, and we have not had any answer. Perhaps it is because Sir Eric Geddes is not very well. That is one of the reasons that we did not call evidence on that subject.

*Mr. Jepson:* Perhaps you would not mind enlightening the Committee on this point. You remember a point that was raised as to this gentleman wanting C and D rates. It was a point you made on behalf of the Federation of British Industries that the rates should be station to station rates, and not C and D rates. There is a difference between the Associated Chambers of Commerce and the Federation of British Industries on that point.

*Mr. Balfour Browne:* Very likely. There are differences even between my friends who represent the railway companies. I cannot be responsible for all the different views.

*Witness:* I do not think Mr. Balfour Browne quite caught the question.

*Sir Lynden Macassey:* With regard to the discussion of the obligations of the railway companies, in case my silence may be misinterpreted, may I state very shortly what I conceive the position to be? The railway company carries traffic in one or two capacities—either as a common carrier or as a railway company subject to the obligations under the Railway and Canal Traffic Act of 1854. So far as it carries traffic as a common carrier, its obligations are limited by the extent of its profession as a common carrier, and it may limit its profession to carrying goods as a common carrier, and it may also insist, as a common carrier, upon reasonable conditions. I think I am stating the law correctly.

*Chairman:* Could it refuse to carry a particular article by announcing in advance that it will not carry articles of that class?

*Sir Lynden Macassey:* As a common carrier, certainly. The railway company may refuse to carry any articles whatever as a common carrier.

*Mr. Balfour Browne:* No, if it holds itself out to do so as you do by your rate book. The rate book says, "I will carry for so much."

*Sir Lynden Macassey:* That is quite another matter. In its capacity as a railway company subject to its obligations under the Act of 1854, in which there is no reference whatever to the obligations of the common carrier, it is only bound to afford due and reasonable facilities for the carriage of traffic. Part of the reasonable facilities will be the rate and part will be the conditions under which the goods are carried. That I conceive to be the true position, both at common law and under railway law, of a railway company.

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MR. ALFRED ALBERT WALLER.

[Continued.]

Mr. Jepson: Is not it the fact that railway companies at the present time do give notice, or they did prior to the war, that they were not common carriers of certain articles?

(Adjourned for a short time.)

Mr. Balfour Browne: Before lunch, Sir, Mr. Jepson asked me a question, and I am afraid I left a false impression on his mind, and, perhaps, on yours. He suggested that Mr. Waller wanted C and D rates, and that I asked for station to station rates. I thought that if I had made anything clear it was that, my demand was not station to station rates, but disintegrated rates. I am perfectly content to have a C and D rate if the cartage and delivery is shown separately from the terminals, if the terminals are shown separately from the conveyance rate; but the conveyance rate is not a station to station rate. Of course, a station to station rate includes station terminals, and I have insisted all along, rightly or wrongly—it is for the tribunal to decide—that there should be entire disintegration, and that in future there would have to be a cartage rate, an accommodation rate, a station and service terminals rate, and a conveyance rate, if I succeed. But I only wanted to make it clear what my contention was.

Mr. Jepson: I thought it was put forward on behalf of the Federation of British Industries that the rates in the rate book, although disintegrated, should be station to station rates subject to disintegration; and they should not be C and D rates, but that the cartage charge should be a separate entity.

Mr. Balfour Browne: We are quarrelling about words. If in the rate book you have all the three set out separately at this end, the station terminal, the service terminal, and the conveyance rate, then that cannot be called a station to station rate. It is three rates, and that is what I want.

Mr. Jepson: I follow that.

Mr. Balfour Browne: I did not want to leave any false impression on your mind.

Mr. Acworth: Let me understand. Do you propose that in the future as in the past some rates shall be quoted station to station and that they shall be disintegrated into three factors, and other rates shall be quoted C and D and they shall be disintegrated into four factors?

Mr. Balfour Browne: That is what I propose; and I do not understand that Mr. Waller really differed from me, although he wants to have the C and D rates, and he also wants to have them disintegrated in the way set out.

Mr. Acworth: In other words, you want to regard the cartage, collection, and delivery, which is outside the railway and which they have no claim to do, as exactly on the same basis with the station terminal and the service terminal which they must perform if the traffic uses the station?

Mr. Balfour Browne: Yes.

Witness: Might I just supplement in one respect my remarks with regard to owner's risk? There the obligation is thrown upon the trader to prove wilful misconduct on the part of the railway company's employees. It is absolutely impossible for the trader, when the trade has gone out of his possession, to say in any way what may or may not have happened.

1603a. Chairman: It is only in the case of dangerous goods, not in the ordinary owner's risk rates?—I think it did.

1603a. Owner's risk is "provided that the company shall not be liable in such cases as non-delivery, pilferage or mis-delivery on proof that the same has not been caused by negligence or misconduct on the part of the company or their servants"?—Yes, that is right.

1603c. Mr. Jepson: Prior to the arrangement at the Board of Trade to which you refer, back in 1909, I think you were right that the railway companies conceded that and took upon themselves the onus?—That is right.

Sir Lynden Macassey: That is very common. Notices are frequently given by different companies on that point. A common example of that which has cropped up is damageable goods not properly packed.

1603d. Mr. Martin: With regard to the tribunal it is proposed to be set up, have the Chambers of Commerce considered what form that tribunal should take—how it should be composed?—No. In the first place, it is a question whether maxima rates are really going to be done away with, or otherwise; and if maxima rates were going to be done away with, that would have a very serious import, or bearing, upon how the tribunal should be constituted. Therefore, at this stage, the Association is not in a position to state how it should be constituted. But they would like, of course, in that event to have the opportunity of considering the thing.

Chairman: I think we ought to have the opinion of the Associated Chambers of Commerce and of the Federation of British Industries on the constitution of the tribunal; and in regard to that, in addition to the question of the constitution there is also another question I would like to have your opinion upon, and that is this: Whether the tribunal, so far as it consists of traders and railwaymen—I am not speaking of the independent Chairman, if there is one—whether they should be whole-time and would, therefore, have ceased to be carrying on the business of traders and railwaymen, and possibly would have to be paid; or whether there should be a panel of those who are still continuing their business from whom the members of the tribunal would be drawn. You see at once the difficulty that arises about the second—namely, that if you are going to ask men who are doing a big business to attend such a tribunal as this, they could not be asked to give constant attendance. On the other hand, the second alternative has the advantage that you have men who are still in touch with business and still meeting daily other traders and other railwaymen; and I would like to know whether the desire of either party or both parties is that there should be a whole-time tribunal, withdrawn from business and therefore giving the whole of their time up to the transaction—and I presume it will necessarily follow that they would all of them have to be paid—or whether the desire is that we should have a panel from which you would take what I may call practising traders and practising railwaymen for the decision of each question as it came up. I do not ask for an answer now, but I want that to be one of the matters which is considered. We have before us the Bill prepared by the Federation of British Industries, and it proposes a whole-time tribunal where there would be persons appointed, who would be appointed (I think it stipulates) for seven years, and who would be paid. Whether that is the general idea, or whether the alternative I have suggested is the general desire, we would like to know.

Mr. Balfour Browne: I dare say that you will allow us both to consult our friends?

Chairman: Certainly.

Mr. Balfour Browne: At the same time there is a great deal to be said for both of those propositions. If I am not mistaken, I think the matter was considered in regard to the Acquisition of Land Act last year, where, after a long report made by the Committee presided over by Mr. Leslie Scott, I think they put the alternative before the Government of whether it should be a panel and selection made from that, or whether it should be a whole-time tribunal. I think as a fact, though I am not quite sure—I speak subject to correction—they adopted the whole-time tribunal, and appointed Mr. Howard Martin as the whole-time Commissioner. At the same time, we will bear it in mind and give you an answer later when we have considered it.

Sir Lynden Macassey: The railway companies on Page 11 of Cd. 682 have suggested panels on the



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[Continued.]

basis of their appeal to the Commissioners. However, the suggestion you have made we will consider.

*Chairman:* We shall hear later what is the ultimate opinion of both parties upon that question. Then upon another question which we have discussed—that is, if the Railway and Canal Commission is to continue to exist what should be its powers, and what should be the powers of the other tribunal. It might be a convenient way of attacking that question to look at the Bill of the Federation of British Industries which sets out all the powers that are proposed to be given to the tribunal if the Railway Commissioners are abolished; and by running through those respective powers people who wish the continuation of the Railway and Canal Commissioners might indicate which of the powers should go to the one and which of them should go to the other. It might be a convenient way of considering the powers that would be wanted by one or other, and sub-dividing them.

Then only on the question of times. To-morrow we propose to adjourn at half-past three in order that the Committee may hold a private meeting to talk over all that has happened up to the present.

*Mr. Abady:* Arising out of your latter remark, Sir, may I make an application? I appear for the Mining Association. I propose to call only one witness—Sir Thomas Ratcliffe-Ellis—who has to come from the North of England. It would be a matter of great convenience to him if you would allow me to interpose him during the course of the proceedings to-morrow. I ought to add that there is, perhaps, an additional reason why that might be to the general

convenience, and that is that Sir Thomas Ratcliffe-Ellis is prepared to put forward a definite proposal with respect to the tribunal; and thus the Committee would have before them—if they will consent to hear him to-morrow—a definite proposal which, it is evident from what has just transpired, is not before them now. I do not think his evidence would take very long, and it would be a matter of great convenience if you could hear him to-morrow.

*Chairman:* What do the Chamber of Shipping say?

*Mr. Abady:* Sir Robert Aske is here to speak for himself; but I understand that the Chamber of Shipping case will take about a day. Therefore, as I understand the case of the Chambers of Commerce will not finish to-day, probably it will be for the convenience of the Chamber of Shipping, as well as for my own case, if I could call Sir Thomas Ratcliffe-Ellis to-morrow.

*Chairman:* If no one makes any objection we will call him. As there is no objection, your application is granted.

*Mr. Abady:* If you please, Sir.

*A Representative of the Chambers of Commerce:* We have about seven or eight more witnesses, Sir. A number have been waiting all the week; and the question is whether we could fix now a time when they will be called, or whether they will be taken to-morrow.

*Chairman:* I will take Sir Thomas Ratcliffe-Ellis first to-morrow, and then go on with the case of the Chambers of Commerce.

*Mr. Abady:* Sir Thomas will go into the Chair at 11 o'clock to-morrow.

MR. ALFRED ALBERT WALLER, re-called.  
Cross-examined by Sir Lynden Macassey.

1604. *Sir Lynden Macassey:* I want you to elucidate a point you referred to in your evidence. You remember you spoke about the allowance to be made off an exceptional rate in respect of any service in the rate but not performed by the company. You suggested, I understood, that the same allowance should be made off an exceptional rate as off a class rate. That was your proposal?—Yes; provided the exceptional rate covers all the services of the ordinary class rate.

1605. Take an exceptional rate, including a certain number of services and a class rate including the same services; your suggestion was that the same allowance should be made off the exceptional rate as off the class rate?—Yes.

1606. I want to apply that principle to the test of actual experience. Would you mind taking the case of a class rate for the distance of 10 miles, including station terminal and service terminal, and also cartage and delivery? It has been worked out for me at 10s., full statutory powers, class 2 traffic?—Yes.

1607. You said exceptional rates were something like 20 per cent. below class rates?—No, I did not say that. Mr. Jepson gave an imaginary figure of that kind.

1608. It would not be unusual to find an exceptional rate certainly at least 20 per cent. below the class rate?—Yes, it would.

1609. Let me take that for the purposes of illustration. Supposing you had an exceptional rate 20 per cent. below class rate, and your class rate was 10s., your exceptional rate would be 8s. 2s.?—Yes.

1610. If you will just rough down those figures which come under the statutory classification. For Class 2 service terminals are 8d.; loading at one end and unloading at another, that would be 1s. 4d.?—Yes.

1611. Covering, of course, is 2d. full charge in the statutory classification, and uncovering is 2d., making 4d. altogether?—Yes.

1612. So that terminal services at two ends would be 1s. 4d. plus 4d., or 1s. 8d. total?—Yes.

1613. Now take an actual case of carting at one end and delivering at the other and at the ordinary scale of 1s. 8d. a ton, that would be 3s. 4d. at the two ends?—Yes.

1614. That would make a total of 5s. 2s.?—Yes.

1615. If I add to that the full statutory charge for the station terminal that would be 1s. 6d. at each end, making a total of 3s. 2s.?—You have got loading and unloading, covering and uncovering, 1s. 8d.?

1616. Yes. Carting and delivery, 1s. 8d. each end, making a total of 3s. 4d. for the two ends?—Yes.

1617. 1s. 8d. and 3s. 4d. makes 5s. 2s.?—Yes.

1618. Then if I take the statutory terminal of 1s. 6d.—?—What statutory terminal?

1619. Station terminal. 1s. 6d. each end makes a total of 3s. for both ends?—Yes.

1620. And added to the 5s. would make 8s. 2s.?—Yes.

1621. So that you see in the case of an exceptional rate of that sort that if you were to give, by way of allowance for services not performed, the full allowance off the class rate, nothing would be left at all for conveyance?—No. In reply to that may I say that there are, of course, exceptions to every rule; and the railway companies have always made an exception in the case of short distance traffic. I was not, of course, referring to a specific case like short distance traffic, which stands in a category entirely by itself.

1622. I mean that for a distance of 10 miles, if we followed your principle, nothing whatever would be left for conveyance over those 10 miles?—Precisely. But my point is that I think the position which Sir Lynden Macassey pointed out, Sir, is only an exception; and there must be exceptions to every rule.

1623. What would be the position, for example, of two traders, one of whom is getting his traffic taken from a siding connected with the station and getting only conveyance—on your basis he would pay nothing, while a trader using the station would pay 2s. for conveyance?—I beg your pardon, I did not catch that. If the trader uses the station he would necessarily have to pay the terminal, which would be included in the rate?

1624. The question I was putting to you was this: Supposing you have a trader with a siding connected with the station, he would get nothing but conveyance?—No.

1625. And on your basis he would pay nothing for conveyance?—On the short distance,

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[Continued.]

1626. For the 10 miles?—Yes. But, as I said just now, a short distance like 10 miles is an entirely exceptional thing. All the journeys and all the distances upon which the railway companies grant exceptional C and D rates are not limited to 10 miles.

1627. But for those 10 miles the station trader would be paying 2s. for conveyance. Could that be justified if you were a station trader paying 2s. for conveyance, and the private siding owner, with a siding connected with the station, paying nothing, would you not very soon object?—As I said before, a short distance like 10 miles is an entirely exceptional circumstance altogether; and I do not think you should apply the conditions which would result in a 10 miles' service to the conditions for 40, 50, or 100 miles.

1628. Shall we take 20 miles?—May I suggest that you take 150 miles?

1629. Shall we take 20 miles? The private siding trader would be paying half what the station trader was paying. Would that be right?—The trader having a siding makes no use of the station at all.

1630. It is a question of pure conveyance. On your basis the siding trader would be paying for his conveyance over 20 miles only half the rate which the station trader would pay on the class rate.—But in the case of the siding trader you would not give him a C and D rate at all.

1631. That is what I am putting to you. If you give off the exceptional rates the same rebates as are given off the class rates, it leads to what I am putting to you.—In the case of the siding trader he would not have a C and D rate.

1632. On your basis it would be the exceptional rate less the allowances in the class rates for cartage, delivery, service terminal and station terminal.

*Mr. Balfour Browne:* There would also be the addition for the service at or in connection with the siding.

*Sir Lynden Macassey:* Yes. But leaving that out for the moment.

*Witness:* I still endeavour to maintain the position I put forward—namely, that exceptional rates are granted for conditions which apply to conveyance; that is to say, increased bulk or volume; and if you are going to take short distances such as those to which you are now drawing attention, I say they are exceptions and, being exceptions, should, of course, come under exceptional consideration.

1633. I put it to you as a general proposition, if off the exceptional rates allowances are made of the same amount as in the class rates for the services in question, conveyance for the siding trader will always be very much below what the station rate is for the same class of traffic. Had you that result in mind when you suggested that the allowances should be paid on the basis you mentioned?—I do not see that the rates to a siding have any relationship at all to C and D rates to a station. You will grant rates to a siding in which there is no station and service terminal calculated at all. You will not grant exceptional rates applied to sidings—that is to say, exceptional C and D rates applied to sidings. If you had exceptional C and D rates applicable to a siding, then presumably by taking these off you would reduce the conveyance rate. The rates to sidings are in an entirely different category.

1634. But you know that siding owners very frequently pay the station rates, less the rebates?—I do know that; and I also know that it is a source of endless trouble and difficulty. That is one of the things which the traders are anxious to get removed.

(The witness withdrew.)

MR. ROBERT WILD ROYLE, called.

1649. *Chairman:* You are Traffic Manager of the Co-operative Wholesale Society, Limited, and Chairman of the Railway Sub-committee of the Manchester Chamber of Commerce?—Yes.

1650. Would you tell us, please, what you wish to say about this?—Briefly, Sir, I represent a firm

1635. *Mr. Jepson:* Is not that the real object of disintegration, so that a man may know for what he is paying; if he does not require station terminal or delivery he can tell from the book what he is entitled to have or for what he is entitled to be charged?—Yes.

1636. I think what Sir Lynden Macassey is putting to you is quite right. If you have the disintegration in the book, and you are a siding owner, and you say you are only entitled to be charged for the services rendered—on your exceptional rate would not the traffic be nothing?—In the short distance it would be so.

1637. *Chairman:* Take 50 miles. Would that be a fair case on which to test it?—Yes.

1638. Class 2 rate would be 10s. 2d. for conveyance?—Yes.

1639. What are called "etceteras" would be 8s.?—Yes.

1640. That would be 18s. 2d. for the class rate?—Yes.

1641. Now, if the railway company granted an exceptional rate of 14s., that would leave only 6s. for conveyance?—I do not think, from my own experience, that an ordinary rate of 18s. 2d. would get an exceptional rate of 14s. The exceptional rate would be something like 17s. 6d.

1642. We have had many instances where the deduction has been as much as 50 per cent.?—Goods train rate?

1643. Yes—many varieties. With competition by water it has frequently been as much as 50 per cent. Supposing there were a 14s. exceptional rate quoted, that would leave 6s. for conveyance, and a siding owner in the immediate neighbourhood could say, "As you have quoted Mr. A. an exceptional rate of 14s. for 50 miles, you must give me an exceptional rate of 6s. for 50 miles."

*Sir Lynden Macassey:* That is the point I was putting.

*Witness:* It works out like that. I can only accept, of course, the ocular demonstration of the figures.

1644. *Mr. Jepson:* How would you deal with such a case as this—Mr. Marshall Stevens mentioned it: There was a rate of 40s. from Cheshire to London for meat, and the rate for imported meat from Liverpool to London was 25s. That is between 40 per cent. and 50 per cent. reduction. Would you say that anyone claiming rebates for station accommodation or delivery services on that 25s. should have the same amount as the man who has paid the full 40s.?—Yes; because I say that the station and service terminals are precisely the same in both cases.

1645. I understand that?—That is my point. But it may create a position which is impossible.

1646. *Mr. Acworth:* I thought you agreed with me this morning that the probability was that the terminal service rendered and the terminal accommodation provided for a large consignment was probably smaller than for a number of small consignments?—Yes.

1647. I do not think that corresponds with what you are now saying—that the terminal services are the same?—I think the reply I gave this morning was that if you were going to take a single unit like that it was rather a sharp criticism; because there was no station which would exist just for one small amount like that. It is the aggregate. I admitted that it would give a little more trouble to handle 8 separate consignments of a ton rather than one of 8 tons.

1648. And more space in the station also?—Yes.

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MR. ROBERT WILD ROYLE.

[Continued.]

1651. *Mr. Jepson*: It is put down as £1,000,000,000?—It is £100,000,000. I have put down 16, but we have 18 private sidings in different parts of the country. In connection with this matter we touch every stage of the classification, from A to 5. We have studied the letter of the Associated Chambers of Commerce which was sent to the Ministry of Transport, and we are in general agreement with the replies of the Associated Chambers. In order to get some idea from our constituents as to how they considered these proposals, I have addressed several meetings in different parts of the country mentioned here in the proof, the East Riding of Yorkshire, Manchester, Birmingham, Bradford, Doncaster, Grantham, Liverpool and so on. The meetings have been unanimous in their opinion that we should have a tribunal such as you have suggested should be adopted to-day. In view of the fact that it seems to be a generally accepted principle, I do not intend to pursue this afternoon the question as to its constituent parts, or how that tribunal should be constituted, or how it should proceed; but it was also thought that, in order to get over small trade difficulties, there should be in the country, apart from London, advisory committees, to which local matters could be referred. For instance, the railway companies themselves had these local committees in different parts of the country. In my district it is known as the Mersey Ports Conference. The railway companies know how that conference is constituted. We consider, if we have representation at such a conference, that the traders' case would be better placed before the railway companies than what it is now, and better understood by the railway companies. In my experience as Chairman of the Railway Committee of the Manchester Chamber of Commerce, we have found it a general practice, and a good one, that if we could get the railway companies to come together on one side of the table and ourselves on the other, we could come to an arrangement, and a satisfactory arrangement, as between the traders and the railway companies generally, without referring us to the central tribunal in London. Therefore, we are of opinion that advisory committees such as these would not only be of assistance to the traders, but of assistance to the railway companies as well.

1652. *Chairman*: Would you have the advisory committees in the country given powers, or would they only be conciliation boards?—Only conciliation boards. If they could not come to a definite decision or agreement on both sides, then the matter must be referred to the tribunal, and the tribunal must have the power of settlement, but it would ease the tribunal of a good deal of work. Local matters, such as cotton, for instance, at Manchester, and matters connected with the cotton trade in the district surrounding Manchester, would be dealt with by men of experience in the cotton trade, and so on. In the Birmingham district, you would have men dealing with the particular conditions obtaining in that particular district, and you would get a better settlement, because you have men of knowledge both from the traders' standpoint and the railway companies' standpoint, understanding the conditions under which the trade is carried on, and you would be able to settle the difficulties much more easily. That is our opinion.

1653. *Mr. Jepson*: Do you regard it as essential that any matters which arise should go to the local advisory committees before they go to the central tribunal as a matter of course?—We considered it essential in Manchester that it should go to the advisory committee, and that the advisory committee should settle the matter, if possible and not pass it on to the tribunal.

1654. And if the tribunal cannot settle it, and it is a question of law, it should go to the Railway Commission?—If it is a question of law, it goes to the courts for settlement. I do not intend to enter into what the powers of the tribunal should be, or even into the question of rates, and scales, but we are of

opinion that the railway rates should be on a unified system, and all services should be shown separately by the railway companies and only the services incurred should be charged for, and any kind of cartage should be kept separate from other charges. We are in entire agreement with that.

1655. *Mr. Jepson*: Do you want in the rate books station to station rates put in, with appropriate disintegration as has been suggested, and cartage rates set out quite separately as a separate matter. You do not want the system of collected and delivered rates continued?—I want the station to station rates in the books, and if cartage is performed by the trader it must be charged for separately, but let the rate be station to station rates, where we can get at what the services are in the rate—the station services, the terminal services and the conveyance generally.

1656. On that point you differ from Mr. Waller?—Entirely, I differ from him.

1657. *Mr. Acworth*: You would regard, as I understand, collection and delivery as outside the normal railway rate?—Outside it.

1658. The normal railway rate would be made up of three conditions, station, service, and conveyance, which you would like disintegrated?—Quite so.

1659. But still you would have station to station rates, and collection and delivery entirely outside?—Yes.

1660. A separate charge?—Yes.

1661. Just as much as warehouse or anything of that kind?—Quite so. That leads me on to private sidings. If that were shown, when you come to private sidings you would have the conveyance rates as from private siding to private siding. Another point we want you to bear in mind as something we in Manchester have considered essential, is that if the trader has a private siding which is expensive to the railway companies to work, that expense shall be borne by the siding owner in agreement with the railway company, so as to retain a basis of rate all the way through—the same formula all the way through. That is the idea of Manchester. In regard to the loading of trucks and so on, the truck load arrangement suggested by the railway companies is a very difficult problem for the traders to swallow all at once. It means such a great departure from the practice of trade. As regard ourselves, for instance, we have in our private sidings, or in many of them, an option of loading a ton per truck to send a through wagon, but in practice we load probably more than 1 ton per truck. It seems to us, if we get pushed into our sidings, as we do many times, a collection of trucks of 6, 8 or 10 tons, we may have an 8-ton load for a 10-ton wagon. That being the only wagon there, we shall perforce have to use it to get the goods away; or we may have a 10-ton wagon and only a 6-ton load to put into it, but the railway company want to charge us for the full capacity of the wagon. That is the problem we are up against. The puzzle is where is this truck load business going to end. To us it does not seem at all suitable to our English trade. We get traffic moving in smaller quantities than 1 ton. If a trader gets a ton of butter, which at the present time is controlled—it is rather a big trader who would take a ton of butter at the present time—probably under normal circumstances the trader would take 4 or 5 tons—and if it is placed in a 4-ton wagon, he is probably charged as for 4 tons in the wagon. That is one of the things that will hit the trader considerably.

1662. *Chairman*: You are not opposed to a reduction being made for a load which would fill a wagon? If you have a ton rate you would see no objection to there being a lower rate if you send a wagon load?—Well, in regard to that we know what the practice has been in the past, but now I take it it is the object of this tribunal to come to something that will help us in the future. We want to start again. I regard to that may I say that my colleague who is following me from Manchester has discussed this matter with me fairly fully, and we have agreed between ourselves that he should take that portion of the case, and probably when he comes along he



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will have some information for you on that particular point? There is another point which quite upset us yesterday; and that was the statement by the legal representatives of the railway companies with regard to owner's risk. On page 15 Sir John Simon gave the railway companies' statement of what the railway companies would be liable for. He said there was no justification for re-opening this question as to what ought to be the terms on which goods are carried when carried at owner's risk. He went on to say: "Therefore we do not propose, unless you direct us, to take part in re-opening that matter." To us traders that is a very serious matter indeed, and during the last few years we have been doing all we possibly can to bring before the railway companies the circumstances under which these owner's risk conditions are being carried out at the present day. Not being fully prepared yesterday to go into this matter, I wired to Manchester and asked them to send me on a few owner's risk cases to show you how the railway companies are dealing with them at the present time. I have here a list. This is the under the owner's risk agreement. There is the general owner's risk agreement, both for the passenger and the goods services. Then there is another one for milk. The railway company demands owner's risk note for cheese, soft, for fibre board boxes, which are articles which have come in since timber has been so dear during the War. It is a kind of cardboard which is waxed to strengthen it, and it has to be up to a certain tensile strength and waterproof before the railway company will accept it for conveyance, apparently. Then we have articles "not properly protected by packing" which the railway companies are gradually increasing at their own discretion. In 1895 the list contained 82 items in the classification; in 1905, "171 articles; in 1910, 175 articles; in 1920, 216 articles. It is gradually creeping up. We never know from day to day what article is going to be put in that list—"not properly protected by packing." If a claim is made on something, then immediately the railway company find there is a chance or a loophole of some description, and in it goes into the "not properly protected by packing." I would like to give you some instances in regard to this, to show you how serious this is to traders. I have here some of the cases which have been sent to me. I do not purpose going through the whole of these this afternoon, but just to take examples here and there in regard to milk claims.

1663. *Sir John Simon*: May I ask, before we go into this question, whether you would mention the name of the railway company, and give some indication of the date, because sometimes one likes to make inquiries in order to see if there is an explanation?—I am going to read the railway companies' letters, and I can give the reference as well if you like. There is a case here of milk—North Staffordshire Railway Company, February 11th, 1919; North Staffordshire reference F. 155: "In respect of your claim of 23 13s. 8d., dated October 23rd, we are informed by the Lancashire and Yorkshire Railway Company that as the milk was being unloaded from the van on to a platform truck at Bradford, an engine backed on to the coaches and moved the train, upsetting the truck and three cans. The contents of one can was completely lost, 17 gallons, owing to a faulty fastening of the lid." Perhaps you will pardon my saying if there is anything that goes wrong with the can they generally find fault with the lid somewhere. It has either been tied on with string, or a little bit of wood put in to keep it down, or something of that description; anyhow, there it is: "It being fastened on by a piece of wood, the wood came out and then the can fell"—not because the railway company's truck was moved by the engine, but "the wood came out and the can fell." And the lid came off; there were 10 gallons lost out of another can, and two gallons out of a third can. The loss is to be regretted, but as the traffic is conveyed at the owner's risk we cannot admit liability and must respectfully decline

your claim." That is the railway company's reply. I have another case here. This is Congleton.

1664. *Chairman*: What is the date?—March 9th, 1919: "As the milk was being transferred from one platform to another,"—this was at Manchester—"the front wheel of the harrow came in contact with a lump of concrete where the platform had been recently repaired. The handle was jerked off from the hands of the porter and one can fell off. The loss is much regretted, but as it was the result of a pure accident and also in view of the owner's risk conditions of carriage, I am instructed to respectfully decline your claim."

1665. *Sir John Simon*: What was the company that declined this claim?—The North Staffs—it is that company every time. This is the North Staffs again. This is another case of milk. This is where five cans arrived at Stratford from Rochester. It was being sent to Bow station on January 27th, 1919. The date of the letter is March 3rd: "The above claim has been submitted to the companies concerned for investigation, who find that the milk was accidentally upset at Bletchley. While expressing regret for your loss, they, however, are unable to accept liability, on the ground of the owner's risk conditions of carriage, and herewith we beg to return your demand." So much for milk. I have a good many more instances here, and I have many more in Manchester, which can come along.

1666. *Sir John Simon*: We may take it that those are fair examples?—Those are fair examples.

1667. *Chairman*: Is the North Staffs Railway Company worse than other companies in this respect?—Mr. Jepson knows. The North Staffs are the railway company which attach owner's risk conditions to every exceptional rate they quote you.

1668. And they put the conditions in force?—They put the conditions in force. The next one is the soft cheese; this is another packing instance. This is one of those articles not properly protected by packing, which the railway companies say they will only carry at owner's risk, because of the frailty of carriage. In this particular instance the railway company were handed a consignment of cheese consisting of 415 cheeses.

1669. *Sir John Simon*: What is the railway company?—The Great Western. On arrival in Manchester one cheese was lost of the whole consignment. They never found that at all, and then they declined responsibility for the loss altogether on account of its having been conveyed at the owner's risk rate. I will read the letter: "The consignment in question was conveyed at the owner's risk and we cannot accept any liability." Then it goes on to say: "Without prejudice, however, we offer to settle for one-half of the net invoice value, and on hearing you agree to accept this we will arrange to pay it," and so on. So the company offers us one-half of the net value in settlement of that claim. I have other claims here with regard to fibre board boxes. This is with regard to pilferages from those boxes which have been forwarded by the railway. I have 26 claims here of pilferings in transit. Those are goods which have been sent in these fibre board boxes and the claims refused.

1670. *Chairman*: Pilferage since the War has been very much worse?—Yes.

1671. In fact—not with regard to claims only?—I quite agree. These are recent ones. There is a whole batch of them here. There is another point in connection with this, too. I am putting this forward just to show that there are reasonable grounds for overhauling the owner's risk conditions. We handed a consignment a week ago—I think it was last Monday—of envelopes and stationery packed in boxes inside a cardboard carton to the railway company for conveyance. Two days afterwards they came and said: "We have not sent that parcel yet." "Why?" "It is in a cardboard box, and we must have an owner's risk consignment note before we forward it." It was forwarded after a little bit of explanation, but it should not have been necessary

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for goods to be held back like that, especially a thing that was hardly damagable. But it does happen, and that is a case in point. I have not the details of this particular case with me, but this shows another case. A parcel was sent from Manchester to Crewe, and on the journey, how it happened no one seems to know, it dropped on the line and the carriages passed over it. The article was very badly damaged, as it would be, and on arrival it was tendered, and, of course, no one was to blame. They could not prove wilful misconduct, that somebody had thrown it deliberately on the line, and we had to stand the loss in that case.

1672. *Chairman*: Was that consigned on owner's risk?—Owner's risk again. These are all owner's risk. Another case we had was this: We sent a quantity of goods from Manchester to Worcester by one particular railway at owner's risk. We insured persistently for this particular lot. We could not find it, the railway company could not find it. We put in a claim within the necessary 14 days, but still it was months before we heard anything from the railway company. Finally they found the lost goods, but being seasonable we had no sale for them. We took them back just to show that we had no animosity. We wanted to help them. Still they would not have paid anything under the owner's risk, so we took the goods back to show that we do not altogether demand from the railway companies unreasonable things. I will just read a letter that we wrote to the Great Western Railway Company in respect of some of these things I have mentioned which have been pilfered in transit: "We note your letter respecting claim for loss of seeds pilfered in transit. We note your remarks, and whilst we admit that the owner's risk rate includes damage, we cannot agree that you are absolved from responsibility for pilferage. If the seeds had been delivered in a dirty or otherwise damaged condition, of course, the claim would have been withdrawn, but seeing that the goods have been pilfered we must continue to press the claim." That is the letter we wrote to the railway company, and that shows our attitude towards the company. In connection with the Manchester Chamber and other businesses, we find it in ours, with regard to owner's risk claims where total losses have taken place under the terms of the agreement the railway company cannot get out of their responsibility by any means, they are coming along now and offering to traders to settle their claim, provided the traders will accept 25 per cent. deduction from the invoiced value of the goods. That is another thing we object to, and another thing that is creeping in under owner's risk, so that we have valid reasons for saying that these questions shall be fully considered.

1673. *Mr. Jepson*: Are you putting forward any definite proposals as to how these owner's risk conditions should be altered on behalf of the Chamber of Commerce?—We in Manchester on behalf of the Associated Chambers have thrown out suggestions for a definition of companies' risk rate and owner's risk rate. If you like I will read it. We suggest that the railway companies should be given the benefit of the protective Clauses in the Carriers' Act of 1830, whereby they are limited to a certain amount of risk on valuable articles unless such articles are specially declared and insured. (2) The railway companies should not be held liable for loss of or injury to goods occasioned by—(a) Act of God; (b) King's enemies; (c) faults of the sender in the way of packing or otherwise; (d) inherent vice. (3) When horses, cattle, or other animals or any article, goods or things are carried at companies' risk, the railway companies should be liable during transit to insurers for the consequences of any fire or accident, or for theft, pilferage, total or partial loss, damage or delay whether occasioned by the neglect or default of the companies or its servants or otherwise. When goods are consigned at "owner's risk" the railway company should only be held for loss or injury occasioned by the neglect or default of the company or its servant in

accordance with Section 7 of the Railway and Canal Traffic Act of 1854, viz.: horses, cattle, or other animals, or to any articles, goods, or things, in the receiving, forwarding, or delivering thereof, occasioned by the neglect or default of the company or its servants. The railway companies should be liable for the delivery of each and every package received by them for conveyance. I will hand those in as suggested conditions.

1674. *Sir John Simon*: That is companies' risk?—No, the last phrase is owner's risk, commencing from "When goods are consigned at owner's risk."

*Chairman*: This does at first sight seem fairly reasonable.

*Sir John Simon*: I think there are one or two things that occur to one. Has this gentleman finished his statement?—Yes.

*Sir John Simon*: Then I would like to indicate one thing.

*Chairman*: We should like to have an indication from you.

*Sir John Simon*: I do not cross-examine in the forensic sense.

*Mr. Balfour Browne*: I have not seen this.

*Chairman*: This is prepared by the Manchester Chamber of Commerce.—It is prepared by the Subcommittee I should say of this Chamber.

*Mr. Balfour Browne*: Who prepared it?—A Subcommittee.

*Sir John Simon*: I do not suppose you desire that we should spend a long time discussing it now?

*Chairman*: No.

1675. *Sir John Simon*: I will indicate a point straight off. First of all as regards the suggested definition of companies' risk, you will appreciate that companies' risk is the full risk which the company as a common carrier and subject to the Statutes has to take in any event?—Yes.

1676. It is in a sense defined already?—Yes.

1677. Were you trying to put on the company anything more than you thought they would have to bear now when you defined these conditions of companies' risk, or is it simply stating it as the Chamber would understand it?—We are simply stating it as the Chamber would understand it.

1678. I see just at the end of your paragraph 3 you say: "The railway companies should be liable during transit as insurers for the consequences of any fire or accident, or for theft, pilferage, total or partial loss, damage or delay whether occasioned by the neglect or default of the companies or its servants or otherwise." May I point out this, I do not know that I quite understand what is the meaning of delay when it is not occasioned by anybody's neglect. Suppose there is a storm which sweeps away a railway embankment and the result is that a train is held up?

1679. *Mr. Balfour Browne*: That is covered by Clause 2?—The Act of God.

1680. *Sir John Simon*: I am not cross-examining you, Mr. Balfour Browne, any other layman in the room may make any suggestion he likes, but I want to put this shortly. Delay not occasioned by neglect or default of the company is rather a difficult thing to understand. What would it be?—Delay, whether occasioned by the neglect or default of the companies—take for instance, now an actual occurrence, a load of meat going along to St. Helens from Manchester, and on the road the railway companies come to dissect the trainload, it is shunted into a siding and forgotten until the next day and left in a blazing hot sun. What is that?

1681. I should have thought if the facts were as you ask me to suppose, that might well be neglect or default of the company?—Quite so.

1682. Railway companies cannot be made guarantors that stuff will always arrive on scheduled time?—We do not get it; we do not ask for it.

1683. I am seeking to see what you are going to put on that. I should have thought even companies' risk could not include a liability merely because things arrive late, when they did not arrive late owing to any neglect or default of the company at all. Do

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you think they ought to pay?—If you notice in your owner's risk agreement in the clause there they have inserted delay as a protection for themselves.

1684. *Mr. Jessop*: That is owner's risk?—That is a condition of carriage on the back of the companies' risk consignment note.

1685. *Sir John Simon*: I do not follow, I want to indicate that point. As regards owner's risk you have been given instances and I have followed that they are given most fairly and I am sure with every desire to state them accurately, but have you considered the terms of the current ordinary owner's risk consignment note?—The terms.

1686. Yes, have you considered its conditions? I think it is the first one. You say, although it is an owner's risk rate, which means of course a cheaper rate, because the owner takes risks upon himself instead of the company taking them, that we are to answer for pilferage from packages of goods if they are properly packed, provided pilferage is pointed out to a servant of the company on or before delivery. Stopping there, do you suggest that on the owner's risk form we should be responsible for pilferage in cases other than that?—No, we always carry that out. Immediately the goods are delivered we examine them and we point out within the three days allowed by the railway company. We conform to the regulations as near as we can.

1687. I gather that you and the railway companies succeed in applying that Clause like sensible people between yourselves; you point it out, and if you make out a case they have to pay?—Undoubtedly.

1688. Then there is no dispute between us there?—In regard to this particular business, the Chairman asked for suggestions from the traders as to a definition of "Company's Risk" and "Owner's Risk," and at the Chairman's suggestion we have placed this in, thinking there might be considerations between the railway companies and the traders as to how best we could arrive at a common understanding as to the liability in both instances, and unless we can—I cannot speak altogether for the traders, the traders can consider this, I have placed it in my evidence, and if the traders agree with this between the railway companies and themselves, when the wind-up comes when all the evidence has been given, then it will be for the traders and the railway companies to decide if this is a basis upon which they can come to an agreement. If not, let some other basis be established.

1689. I quite follow you; I just wanted to indicate the way in which these things struck us at the moment, not because we are quarrelling with anybody, but just to make the thing plain. You give some instances, I think very fair ones, of milk being carried at owner's risk rate and the milk-can being upset, the milk being lost, and the companies declining to accept responsibility?—Yes.

1690. Is it your view on an owner's risk note they ought to accept responsibility in such a case. I will take your instance: ought they to accept responsibility?—In that case?

1691. Yes?—You say here yesterday in the case of milk-cans the railway companies will be liable for non-delivery or delay. The milk is not delivered so the companies are not bound to pay.

1692. We will not spend time discussing it, but the milk-can got there, I suppose?—In that particular instance, but let me give you another instance.

1693. I do want to put a question or two on the instances you have given there?—The milk-can got there in that instance.

1694. There were consignments of a series of milk cans containing milk, and at some point in the journey one of them got upset, knocked over, owing to rough shunting or whatever you please, and some milk escaped. The facts are the facts?—The whole contents of the can were missing.

1695. The can was empty?—Yes.

1696. Do you suggest on an owner's risk note the company should be responsible for the milk?—Will you interpret for me, then, the meaning of your statement?

*Chairman*: It is not what Sir John said the other day, but as things are now.

1697. *Sir John Simon*: I want to know what you say. You gave these instances?—I say they should recompense us for the loss.

1698. Will you tell me what would be the difference between owner's risk and companies' risk?—You are putting it to me in a rather peculiar fashion.

1699. Shall I tell you the difference? The difference is on owner's risk you pay less, when, according to you, the company is equally responsible in both cases. Is that right?—Well, looking at it in that way—

1700. It is like your milk-can. We will leave it there.

1701. *Chairman*: If there is nothing more you want to ask this gentleman, I should like to say that he has put his case very fairly. Before you go, Mr. Royle, I think you have hardly stated your case as strongly in your favour as you possibly ought to. At the bottom of the page it reads, "When goods are consigned at owner's risk, the railway companies should only be held liable for loss or injury occasioned by the neglect or default of the company or its servants." I think what you really mean, and what the railway companies already concede, is that the company ought to be liable unless they show that the non-delivery or mis-delivery was not caused by the negligence or misconduct of their servants?—Quite so. I quite agree there. That is really what I did mean.

1702. *Sir John Simon*: That is the real issue?—That is what I do mean.

1703. *Chairman*: In owner's risk the onus of proof would be on the railway company that there was no negligence?—Unfortunately, it is on the trader to prove wilful misconduct.

1704. I think you are mistaken at the present time. At any rate, you are contending for that in future that in the case of owner's risk the burden should be put on the company to show it was due to no negligence or default of their servants?—Yes.

*Sir John Simon*: There is a little more. The condition at present of the owner's risk note which you have before you is one which puts the burden of proof on the trader, but in any case it is limited to cases of non-delivery, pilferage, or misconduct?

*Chairman*: Yes.

1705. *Sir John Simon*: The case which I think Mr. Royle will agree is the commoner case, no doubt the one he speaks for and is most concerned about, is the case of goods arriving damaged in some way or injured in some way. That is not covered by that condition at all.—That is so.

1706. It is right to point that out?—That is so, if the goods, as I say in this particular letter I read to you—"if the seeds had been delivered in a dirty or otherwise damaged condition of course the claim would have been withdrawn," but the goods were not delivered at all.

*Mr. Acworth*: What did the trader consign, the milk or the milk can?

*Sir John Simon*: I should have thought the milk can, although no doubt it is containing milk.

*Mr. Acworth*: Was not the milk just as much consigned? Suppose I sent a chest of tea, you would not assert what I consigned was a wooden box with a red lining.

*Sir John Simon*: No, but if you started consigning a receptacle with cream in it and it arrived as butter—

*Mr. Acworth*: That is the act of God.

*Chairman*: It seems to be a serious question whether, if part of a consignment is missing on delivery, that is to be treated as an injury to the consignment or non-delivery.

*Sir John Simon*: You probably know, it is a matter which has been discussed in the Courts at some time. I dare say if you go into this you will wish to look at the decision in the House of Lords of *Wills v. Great Western Railway Company*. The question was, when a number of articles are included in the consignment and what is delivered is delivered short, whether or not within the meaning of the condition



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on the owner's risk note there was a non-delivery. I think in Wills' case one was missing, but no doubt the principle would go further.

*Chairman:* It may be that the traders would say that the condition ought to be altered to mis-delivery of the whole or part of the consignment.

*Sir John Simon:* It may be that is in their minds, but it is right to remember Wills' case because it is one of the things the traders had in their minds when they made these suggestions.

*1707. Chairman:* And have been very sore about it?—Lord Shaw said in that case the railway com-

pany should be responsible for the delivery of each and every package.

*Sir John Simon:* Nobody else agreed with him.

*1708. Chairman:* Mr. Royle says whatever the law was in the past in future it ought to be as Lord Shaw says?—He said that the railway companies ought to be responsible and we agree with him as traders.

*Mr. Balfour Browne:* We should like to know on which railway the permanent way is so bad that if I consign cream it is delivered as butter.

MR. RICHARD WILLIAM BRADLEY, called.

*1709. Chairman:* You are secretary of the Trafford Park Traders' Association, and hon. secretary of the Railway Committee of the Manchester Chamber of Commerce?—That is so.

*1710.* Will you give us your opinions, please?—I will read it and then comment as I go along. I support the replies of the Association of British Chambers of Commerce to the questions of the Minister of Transport. In doing so, I have summarised the powers to be given to the local advisory committees and the central tribunal.

*1710A.* The traders desire the establishment of local advisory committees to have power to deal with minor questions, and of a central tribunal to which the greater questions may be referred. There you agree with Mr. Royle that the local advisory committees would be a Conciliation Board?—Yes.

*1711.* And not a Board to decide finally?—A Conciliation Board, unless they can by agreement decide finally.

*1712. Quite.*—On both bodies the traders seek adequate representation. In the replies of the Chamber of Commerce will be found what we propose as regards who shall constitute the tribunal, as coming from the different Chambers like Liverpool, Bradford, Oldham, and so on. The powers to be given to the central tribunal may be summarised, and these are in accordance with the replies of the Associated Chambers of Commerce. Inexpensive Courts of Appeal, neither sides being awarded costs, and a limited number of counsel to be allowed at the tribunal; that they shall fix both the company's risk and owner's risk rates, which would include, and I have named the standard rates, scale rates and special rates.

*Mr. Jepson:* May we deal with one point at a time? *Chairman:* Yes.

*1713. Mr. Jepson:* What do you mean by the tribunal fixing the standard rates, scale rates and special rates? Do you mean to say it is to be referred to the tribunal to be set up to fix the rates to take the place of the present temporary arrangement?—I take it that the railway companies would submit what they required, and the tribunal would be the final fixing power in the same way as was done with the recent increase.

*1714.* That is your idea?—Yes. They shall fix the charges for station terminals and station services and any other services. They shall fix the charges at or in connection with siding traffic when appealed to by either parties, that is when an agreement cannot be come to. They shall consider and decide variations below the standard rates, and advise the Minister of Transport or Parliament on variations over the standard rates and charges, viz., conveyance, station terminals and service terminals. They shall revise, establish and control one classification of merchandise. They shall control the grouping system of stations for rate purposes; and they shall deal with any question of rates, rebates, accommodation, facilities, tolls, consignment note conditions and such like.

*1715. Chairman:* You would not mean to refer to this tribunal every dispute between trader and companies. They would go to the County Court as usual once the principle are laid down?—Questions of carriage and that kind of thing, payment, would go to the County Court, but questions of railway law or railway facts would go to this tribunal.

*1716.* The question of fixing rates or determining facilities would come to this tribunal, but questions of legal liability arising out of rates when once determined would go to the ordinary Court?—So far as the payment of the rates is concerned, but not as to their application.

*1717. Quite?*—Then I have a note here—I can go on with these remarks, I take it—that these Local Advisory Committees and the proposed tribunal must not be made additional courts of expense which the trader has to pass through to the Railway and Canal Commission Court, because the decision of the Central Tribunal is to be final on all questions of fact, subject to an appeal by permission of the tribunal. On questions of law, these would also be subject to appeal to the higher courts. That is on railway and canal law.

*1718. Mr. Acworth:* How do you give an appeal on the question of fact? Does it mean first the tribunal and then an ordinary court of law would investigate the facts and call the witnesses afresh and so forth?—When we discussed this we considered that what we had done for the tribunal would practically almost sweep away all the powers of the Railway and Canal Commission Court, but the traders generally seem to object to the Railway and Canal Commission Court being abolished, and therefore we said the tribunal was to be the power, just as the Board of Trade is to-day, to give the certificate to go to the Railway and Canal Commission Court on either questions of fact or questions of law.

*1719.* You say here the decision of the Central Tribunal is to be final on questions of fact?—I follow with "except subject to."

*1720.* It cannot make a decision unless it investigates the facts for itself?—Yes.

*1721.* It has investigated and found the facts are so and so. Is it then to say, "If you do not like my finding on fact go to a court and thrash it out all over again and bring your witnesses back again"?—No. It is to be within the power of the tribunal to say, in its own discretion, as to whether this is a case to go to the Railway and Canal Commission Court.

*1722.* On fact?—On fact or law.

*1723.* You contemplate in certain cases the question of fact will be investigated twice over?—Yes, it would be in those cases, but the tribunal, I take it, would protect the traders and really only send very extraordinary cases on to the Railway and Canal Commission Court.

*1724.* You know if they appeal from a County Court or High Court to the Court of Appeal, and so on, they do not re-hear the facts under normal conditions?—No, but the Railway Commission Court would hear the facts of this case.

*1725. Chairman:* If necessary?—Yes. Then I turn to standard rates. The traders ask for standardised rates. In our replies we said maximum, but we have got to the stage now when I think maximum has been shown to be useless in present conditions, therefore I have termed them standard rates on a uniform basis and on continuous mileage on shortest workable distances to apply to all railways throughout the United Kingdom and Ireland, which include main line, dock railways, statutory railways and light railways of ordinary gauge, and the cumulative principle to be

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maintained to cover the cost of the short distance traffic.

1726. You are the first person who has mentioned Ireland in this Court. It is a very difficult question, because the Irish people themselves are the greatest difficulty in making both ends meet in railway matters. I do not know whether we shall at any time get direct evidence about Ireland, but it is a serious question. Unless you have any special knowledge we will leave it there, but I take this opportunity of calling attention to the fact we have no information about Ireland at present before us?—I agree.

1727. *Mr. Acworth*: You do not put in steamboats rates?—No, they are under different conditions from railway rates.

1728. Do you then mean treating the whole of Great Britain as one and Ireland as another. You may deal with the rates in Dublin and in Holyhead, but you have not dealt with the steamer in between?—No. The steamer in between is governed by different circumstances than are railways. They would be settled by the steamship companies, and I know nothing about steamship rates.

1729. Your idea would be that rates would stop at the port?—Rates would stop at the port, but there might be some arrangement by which the tribunal might govern throughout the rates.

1730. I wanted to gather that it was in your mind?—I could not discuss the point of steamship rates.

1731. *Mr. Jepson*: I do not think it is within our reference either to deal with steamship rates?—I have not mentioned it. The basis of the rates should be as for conveyance only, and the standard rate for each of the existing classes A, B, and C, and 1 and 5 shown in a table against every mile up to 500 miles. That to me constitutes for the whole of the country a scale of 8 classes, 500 rates; that is 4,000 rates altogether, which would be considered as the standard rate for the country between any two stations. Of course, in doing that I am presuming that some sort of combination will take place between the railway companies either in districts or somehow or another rather than every company working for its own ends.

1732. *Mr. Martin*: Has your Association considered grouping?—I am coming to that.

1733. *Mr. Jepson*: Before you pass from that paragraph, you do not put in here, as one of the items to be shown, cartage. Is that because you are pressing for station to station rates and not inclusive C and D rates?—I want conveyance rates and I do not want anything to do with cartage. Every station must look after its own cartage, because every town is different.

1734. You differ from Mr. Waller?—I know what he has said, and it is not in the reply of the Associated Chambers. We want C and D rates. The charges for station terminals, station services and wagon hire, where necessary, should be shown separately. The percentage reductions allowable for quantities and in respect of owner's risk should follow. I have here prepared a system by which I think the standard rates might be arrived at. I am afraid I am risking a great deal putting it forward, but I am quite prepared to say that the basis should be the existing conveyance powers as shown in the Orders Confirmation Act, plus a percentage.

1735. *Mr. Martin*: Is this your own table?—Yes, because the Chambers have not considered this thing in detail, and the Chairman having asked for it, we have had to consider it since the Inquiry opened.

1736. *Chairman*: The present existing conveyance scales plus a percentage?—Yes.

1737. *Mr. Acworth*: Is this his own?—The conveyance on mileage.

1738. *Chairman*: You said plus a percentage?—Yes.

1739. Is that to be a percentage the same for all classes or is it to be as the revision was made in January, a differing percentage for each class?—It will differ for each class and will differ for short distance traffic and long distance traffic.

1740. *Mr. Jepson*: What is the basis of the percentage? You say the existing maxima rates of the Rates and Charges Order Act plus a percentage.

What is the basis of the percentage?—The basis of the percentage will be this. You cannot base it on costing working from time to time, because you have said you have not got it. Therefore, the only thing you can turn to is percentage and pre-15th January receipts.

1741. On the 15th January we were asked to find, or advise the Minister of Transport, how the railway companies could find 50 millions additional, that is over and above their pre-war net revenue?—Yes.

1742. You would take some figure like that, a figure to be ascertained and spread it out in some form or other on some basis as a percentage over the existing maxima rates to get the new rates?—Not quite that, nearly. I may say straight away the statistics which have been published for weeks ending 1st February, those 4 weeks, are not of any use for the purpose. I am speaking of, because they include 9 days before the 15th January and they contain 15 days after. The comparison must be between pre-15th January and after the 15th January. It is presumed that after the 15th January you are fairly paying your way. If you are not you will have to add a percentage accordingly. If you are more than paying your way you will reduce it accordingly. At any rate, take two periods of time with the receipts from merchandise, exclusive of coal, and then from these receipts make a deduction of all other charges than for conveyance. Then you know what you have left as receipts for conveyance which you are contented with to-day, and divide on a mileage scale through the Clearing House. The comparison left of this balance is left for conveyance, and that will give, by comparing pre-15th January with those after 15th January, something of a percentage which you require on the maximum powers. But there are other considerations to come into the question. That is how the deductions shall be taken.

1743. *Mr. Jepson*: Quite. I was going to ask that?—I had put down three methods, two of which I consider impracticable, but still they ought to be given to you, to arrive at this. You take your freight train receipts, less collection and delivery, which you can arrive at because you have arrived at them for four weeks, and the first method, which I do not consider would give you a very sound basis, is this. Deduct the station terminals as per powers; deduct the service terminals as per powers, and the result will be the receipts augmented because the powers are not equivalent to the actual cost. I do not think that is a fair thing, because you have so much in the rate. We only deduct your powers instead of your cost. So that I turn to another method, and I say, Deduct your station terminals as per powers, because you cannot get at your station terminals so easily; you do not know your costings on the stations. Deduct your terminals, that is your labour services, at cost, because you should be able to get at your cost of loading or unloading, sheeting and unsheeting.

1744. For particular traffics?—No, not for particular traffics, but I think you could get it for mineral class traffic as against certain other classes traffic and also on light traffic as against heavy traffic. The result would be the receipts for conveyance which would give short distance traffic a minimum owing to cost of terminals. There would be nothing left of short distance traffic if you did, because you would deduct so much for cost of services so that that is hardly fair. The most reasonable and the way you can get at it best, is to deduct the station terminals and services as you do at present in the Railway Clearing House on the Railway Clearing House basis, which will leave you the result for conveyance which you have to-day divided on mileage between the various railway companies. If you were content with a certain division of mileage prior to 15th January and you want another one after 15th January, you know the percentage on your mineral class and on coal and general classes and any other division you have in the Railway Clearing House, and that percentage is the percentage to go on to the maximum powers of the



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Railway Orders Confirmation Act. In that way you can in some respect in my opinion get at a percentage to go to actual conveyance.

1745. *Mr. Jepson*: You take the same percentage for all classes of traffic with the exception of the mineral?—If you have not any other particulars that is all you can do subject to what I have to say a little later.

1746. *Mr. Acworth*: As far as I understand this, deducting the Clearing House terminals would imply taking each rate because the amount deducted at the Clearing House is different; it would imply taking each rate and finding out the traffic that was carried at that rate?—That is not done to-day in the Clearing House, they make a deduction for provincial stations and London stations and certain other deductions and leave a balance for conveyance.

1747. Apart from the ordinary London 8s. 6d. business, there are a great many exceptional rates where the amount allowed in London is less?—Yes, they must reduce it to the same conveyance as they are to-day, take off some deductions.

1748. To do that you must find out how much traffic was subject to a deduction of 8s. 6d. and how much at 4s., and how much at 3s. 9d., and so on; that is what I mean?—They are doing that to-day in the Clearing House, otherwise they could not divide the conveyance.

1749. To do it you will have to compile it?—Undoubtedly.

1750. You cannot do it as a percentage all round deduction?—No.

1751. It is a long job I fancy?—I do not think a much longer job than compiling these rates as you have to do.

1752. *Mr. Jepson*: You assume in the Clearing House you take the total receipts of all companies and ask the Clearing House to say how much of those represent different terminals, they take off before dividing between the companies and how much the balance represents which you take as conveyance?—Yes.

1753. That is irrespective of whether the amounts taken off by arrangement between the railway companies represent in any degree cost of the service or in any degree what is included in the rates for the station terminals and services?—Undoubtedly, because you cannot get at cost.

1754. It carries that with it, the same in Mr. Waller's proposition when he said disintegrating exceptional rates you must show the same amount for station terminals and services as you do on a class rate which is up to the maximum.

1755. *Chairman*: Would you say if good enough for the Clearing House as a practical proposition it is good enough for you?—Yes, the Clearing House figures would be good enough for the trader.

1756. If they think it good enough to divide their money on their detailed basis it is a fair working compromise?—If the railway companies will show fairly the addition to the rates on the lines I say it will come out right.

1757. *Mr. Acworth*: What about the traffic on the company's own lines which has no terminal taken off. It is their gross goods revenue?—The percentage will come out the same.

1758. You take it off the percentage you ascertain in the Clearing House?—The percentage of the Clearing House would apply pretty well to the traffic throughout the country.

1759. I do not know. That is your proposal?—Yes.

1760. *Mr. Jepson*: Then having found that for a pre-war period and for a post-war period, if you like you say the post-war period shows there is so much earned for conveyance?—Yes.

1761. That represents so much per cent. over the pre-war earnings for conveyance?—Yes.

1762. Then you take that percentage and apply it as a constant thing, except as regards mineral classes, to all classes of goods traffic?—No, I am only speaking now of standard rates. I have not come to my special rates yet or my scale rates.

1763. Of course, when you are dealing with Clearing House figures you are dealing with the whole, both standard and exceptional?—I am aware of that; I am coming to that. That is the basis for arriving at the standard rates. In working some of the rates out, I find that the result might be this, that on the short distance traffic, if you take the present day rate, that is, since 15th January, 1920, and deduct the station terminal and the services as they ought to be charged, or as I have given them, 60 per cent. over the station and services terminal powers, there is practically nothing left for conveyance. That proves to us that if conveyance is put into the short distance traffic and the cost of this amount for the district traffic and the cost of this amount for the services, the rates will go up considerably. They should do so, because the short distance traffic should not be carried at a loss at the expense of the longer distance traffic. Further than that, the short distance traffic should be made to pay fairly heavily on, say, 10 to 20 miles, and I have drawn it here that on short distance traffic the short distance charge for the first 10, the next 10 and the next 30, perhaps, at the scales in here for the companies who use them like Scotch companies, South Wales, South London, but for the long-distance traffic over 50 miles we start at 20, then 30, then 50, the remainder at the general scale of the other railway companies like the London and North Western and Midland. In that way the long-distance traffic will bear a fair proportion of its conveyance as against the short-distance traffic, which will bear much more than it does to-day.

1764. *Chairman*: I am not sure I have that right. Short-distance traffic, that is, traffic up to 50 miles, you call that?—Yes.

1765. Would be charged so much for the first 10 miles, so much the next 10 and so much the next 30. When you come to a distance of 51, what would you charge?—I would have another basis altogether, another conveyance scale starting at the first 20, next 30, next 50, and then the remainder.

1766. You must get your 51 miles something higher than 50 not to cause unpopularity; therefore under 50 you must begin with a figure as high as the total of the first 50?—We do it under the 3 cwt. scales—must not be charged at less than 3 cwt.

1767. *Mr. Jepson*: Which would carry you a good many miles beyond 50. That was done away with in the cumulative principle under the present system of the Rates and Charges Order?—Yes.

1768. *Chairman*: Which makes a certain amount of flat rate for junctions?—Yes.

1769. *Mr. Acworth*: You did not mean you charge the same rate for 11 miles as 10, did you?—No.

1770. You said so much for the first 10—I was not certain you did not mean charge a flat rate?—No, per mile I am speaking of, I am working on the scale.

1771. You make it very much higher in the initial stage and dropping down lower than the present for the longest?—Yes, quite. I think it will be found when such a scheme is worked out that the short distance traffic will have to bear a considerable brunt of the conveyance as against what it is bearing to-day. I also find this, that the receipts taken to-day on conveyance alone as against the receipts prior to 15th January, work out to something approximately to 50 or 60 per cent. So that 50 or 60 per cent. alone on conveyance would, I do not say in the opinion of all the traders, but would in a sense meet the case. But as regards the trader he does not care what he has to pay so long as he gets the figure correct, and knows it is right and it is justified to him and he is not charged for anything which he does not incur. He has not said much against the 60 per cent. but a dickens of a lot against a shilling flat rate.

1772. *Mr. Jepson*: After all, that shilling flat rate, I think I am right in saying, was simply to be that traffic travelling all distances should bear the same amount of rate, that is the short distance should disclaim the proper burden. That is the idea?—If the



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short distance traffic should escape its proper burden why put it on long distance?

*Chairman:* Naturally, it is less.

1773. *Mr. Jepson:* The long distance traffic would bear a bigger percentage?—It is bearing 60 per cent. of a big conveyance rate.

1774. It would have to bear more if you had to find the same amount of money without the flat rate?—No, we are doubtful about what the flat rate is.

1775. *Chairman:* On a short distance if you put 1s. plus 60 per cent. it may amount to 100. On the long distance if you put 1s. plus 60 per cent. it will amount to 62 or 63 per cent.?—On the long distance traffic the shilling was neither here nor there on a 60 per cent. increase on the conveyance.

1776. *Mr. Jepson:* It was a concession to long distance traffic?—Why did not you make short distance traffic plus 1s. long distance traffic 70 per cent. while you were about it.

*Chairman:* We must get on.

1777. *Mr. Acworth:* I would like to understand that, you said very strongly that the short-distance traffic ought to be a good deal higher?—Yes.

1778. You will agree with, suppose I have to carry traffic 5 or 9 miles, the additional cost of the short distance is very much the same?—Yes.

1779. It is because it is a short distance?—Short-distance conveyance is about the same from 5 to 9 miles.

1780. Suppose you get a rate of 4d. a mile, 5 miles is 1s. 8d., 9 miles 3s., and it is done in order to hit an extra cost, that is almost the same for the 5 as for the 9 miles. Is not the flat rate the fairest thing?—It is not the fairest with the short-distance traffic. You must charge for the conveyance per mile.

1781. You have agreed the extra expense per mile is very much the same whether 5 or 9, the total extra expense?—The total extra expense, I do not know that it is. You have to pay your driver and for coal and everything else, the extra mileage and time.

1782. That is not out of the way up to 200 miles?

—I should not like to agree.

1783. I do not want to argue about it.—I should not like to agree there. It is like motor haulage, so much per mile. You might as well say a motor haulage of one mile was the same as two miles.

1784. No, there is no question of the extra shunting, but we will not argue it.

1785. *Chairman:* You were going to give the basis of the standard rates?—Where railway companies seek to increase the standard rates, such increase must be proved reasonable to the tribunal which shall then advise the Minister of Transport who may allow increases up to a specified percentage of the standard rate, beyond which percentage the appeal should lie to Parliament. That makes the standard rate, in my opinion, a workable rate.

1786. *Chairman:* You propose there should be a maximum rate of a specified percentage above, but you could not put it down without going to Parliament?—I do not like the word maximum; maximum is a thing you cannot go beyond.

*Mr. Jepson:* I thought he gave the go-by to the maximum.

*Chairman:* I think it says, "who may allow increases up to a specified percentage of the standard rate, beyond which percentage the appeal should lie to Parliament." Is not that putting in a maximum?

The maximum means the maximum you cannot go beyond in any circumstances, but if you have a standard, they add to a standard rate.

You say not to go more than a certain distance above the standard without going to Parliament. That is a maximum without going back to Parliament?—No, if you say that the tribunal must not raise a standard rate above 10 per cent., that is the maximum powers of the tribunal, I grant you that, standard, they can add to a standard rate.

Ten per cent. above is a maximum rate?—Maximum rate, so that the rates on the books would not be the maximum rate, but the standard rate. When

the tribunal had raised 10 per cent., that would be the maximum so far as the tribunal was concerned; beyond that Parliament would allow any increase.

Would it have to be approached before any increase was allowed?—Yes.

It is a maximum?—I have drawn a distinction between the two.

I agree there is the distinction, but the first one says a standard, and the percentage above it would be the maximum?—I do not want to have two rates, a maximum and a standard. Such increases should apply to the whole or any of the elements of the rate of a class or classes. Decreases from the standard rates. All variations below the standard rates should be granted or withdrawn by the railway companies, subject to the final sanction of the tribunal. That means that the railway company might be called upon to quote a rate from a number of rates at a particular time in a hurry, or something like that. They should be open to be able to quote those figures without waiting for a tribunal to sit, but they should be submitted to the tribunal at the next meeting for its sanction.

1787. *Chairman:* Even if nobody takes objection?—Even if nobody takes objection.

1788. My experience of tribunals is that if there is no devil's advocate they are apt to pass things and say people who are concerned know best about it?—Let them pass it. It is open to anybody to appeal to the tribunal so long as the rates go there. Where it has been customary to give special rates for specific traffics, such rates to be continued and made uniform in scales up to 500 miles and to apply between any pair of stations. The scale rates should be inclusive of station terminals and services, but on the scale itself should be shown the uniform amounts included in the rates for those separate services, also the percentage reductions to be allowed for quantities and owner's risk. To arrive at the scale rates you again would take the pre-15th January figures of the Clearing House, and compare them with the later figures and then find a percentage, but really the scale rates you already find on the general merchandise would practically meet the case, so far as conveyance is concerned in the scale rates. If you find that your percentage receipts on merchandise traffic after the 15th January was 50 per cent., say, over the pre-15th January, then you add 50 per cent. to the amount of your conveyance, that is in your scale rates to-day. Special rates below the standard and the scale rates should be granted as trial rates or so long as the circumstances of the particular rate exist the same as when the rate was granted, and a *pro rata* figure should be given to any other trader in the similar circumstances. In asking for scale rates I have another object and view and that is this. We have experience where a trader wants to transfer his business or American trader wants to come to this country; he naturally tries the seller the best side he can, considering all the circumstances, one of which is railway charges. He goes to the railway company and asks them for the rates from that particular place. They could give him a class rate straight way, but if his traffic is of a commodity which is one of the staple ones of the country, like lead or indiarubber or iron or steel or anything of that description, he has to wait a considerable time whilst they are compiling these exceptional rates. In one case I know a firm of margarine works gave a long list of stations showing the rates, and showed him a comparison with five other places, and said, "There are your rates and what other people are charged." The trader without expert knowledge was neither here nor there, and did not know what comparisons to make, or where he was as regards undue preference or otherwise. He simply had to look at the rates, and if anything was challenged by him some explanation was given. Under a scale system, if I wanted to put my works in the country, all I need do is to go to the railway company and get the scale, say, for lead traffic, or, if you like to group it, for groceries, and say, "Here are the rates from 1 to 500 miles, the same to everybody else; that is what will be charged to you when you put your works up." On

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the front of the scale would be shown, not the maximum, not the powers, but the station terminal and the station services which the railway company considered to be a fair figure throughout the scale, and they could allow from those scales for those services when not incurred, so that a private siding owner could get hold of a station scale, and would know what to deduct from the scale and get his siding rate; in other words, he gets conveyance only. On the top of that he has to pay for extra services incurred in connection with or at his private siding.

1789. *Mr. Jepson*: On those scale rates, would you agree, if the railway companies could translate the exceptional rates now given or the scales upon which they are based into a general tariff, that anything below that tariff should go?—Yes, except under extreme pressure to the tribunal.

1790. *Chairman*: I thought that you dealt with that in the cases?—Yes, there are quite a number of scales already in existence in the railway classification, and from other knowledge I believe the railway companies themselves have scales for about 25 traffics, so that if you have scales already for about 40 traffics, it makes a great hole into the exceptional rates which are already on the books. Any existing special rate under the percentage below the proposed "standard" or scale rates should be subject to close scrutiny by the tribunal before being renewed, and all other special rates cancelled. Where special rates are granted and not used for a specified period they should be cancelled. The term "truck loads" is not satisfactory to traders, reduction for quantities is desired. Our reason being there, we discussed this at Manchester, nobody can tell what is a truck load, because we have anything from a 50-ton truck, which we use for grain in Manchester, down to a 4 or 5-ton truck. So that really a great deal depends upon the size of the truck which is put into the trader's siding or given to him at a station to load. We have known where traders have been unable to load 5 or 6 tons of traffic which would have gone into one fair-sized railway companies' wagons; they have had to load it into two and been charged for the extra wagon. Again, we want it for quantities, because, if we give, for instance, a 50-ton order, as is done, from our grain elevator in Manchester in one day, we ought to have that 50-ton rate whether the railway company forward in one consignment or take a number of days to consign, so long as the consignee can accept, so long as we give a quantity we ought to get a reduced rate. Of course, that is always subject to the special charges for articles of exceptional length or bulk.

1791. *Mr. Acworth*: May I put one case to you and see what you think about it? Suppose a trader in Trafford Park on his private siding has 16 tons of something to go, and if he loads it carefully it would go in two trucks, but if he was in a hurry to get rid of it and could put a lot of men on the job, and had four empty trucks, he would get rid of it quicker by putting it into four trucks. The railway company in one case has two trucks to spare for another job, and in the second place has to give up these four trucks until it gets to its destination. Is that fair to them?—It is not fair. I grant the trader could do it, but I have yet to find a trader in Trafford Park who is going to put more wagons on the line or employ more labour.

1792. We are not in Trafford Park. Do not you think it would be fair to say a rate for a consignment of 8 tons in one truck, provided the truck is such that it can take the 8 tons?—There is where the dispute lies. It is always up to the company to put a truck in and say in their estimation that will hold so much. A trader cannot get it in and they have to set the thing through the Courts.

1793. We must assume that it is really a truck that can reasonably take 8 tons?—Then that becomes a question of fact for the Court in the case of dispute.

1794. *Chairman*: Is not there an American practice which might be adopted. The trader intimates to the railway company what sized wagons he wants. Suppose he intimates two 8-ton wagons, the railway com-

pany can either send that or three 6-ton wagons. In that case they only get paid for two 8-ton wagons?—It is not a practicable proposition. In America it might apply with those parties collecting goods for other people, and they know what they have collected one day, but with traders with sidings such as we have, it is not a practicable proposition, because the railway companies cannot supply the wagons required.

1795. If you bespeak two 8-ton wagons and they send you three 6-ton wagons they only get paid for two 8-ton wagons?—Then you throw on the trader the onus of saying what wagons he wants.

1796. I know, but if he wants a concession, would you do so?—I would prefer it this way, when the standard rates or special rates are applied to reduced quantities, that the reduced quantities be made consistent with the traffic, for instance you would give—

1797. *Mr. Jepson*: I think the Committee quite understand that?—I think it meets the case better than a truck load.

1798. It would not be 8 or 6 ton all round, but a fair truck load having regard to the particular traffic?—Yes, I think that is more fair than saying so much a truck load. We have had such a terrible experience of that in pre-war days as regards grain traffic when it was 5-ton truck loads and we sent away 6 tons. We were charged the extra ton at the higher rate. We sent 7 tons of grain and it had fairer 2 tons at that higher rate and got 2 tons at the lower, whereas if we sent 7 tons we ought to have the 5-ton rate.

1799. *Chairman*: There is the other side, the railway company is asked to carry 7 tons of grain. It can load 5 into a wagon, therefore it has to send 2 wagons. It renders as much service as if it were carrying 10 tons, and it is not fair it should be only paid for the 7. I see hardship on your side, but would it be right that you should be able to send 7 tons of grain, and pay for the whole only at the lowest rate, when you are putting on the railway company to send 2 wagons to carry it?—That is carrying out the practice to-day generally with regard to exceptional rates. It is only in the grain trade 5-ton load rates and exceptional rates that the truck load condition is attached. The bulk to-day are quoted for so many tons so many ton lots, or ton loads, which are synonymous terms, so that we are not departing from the present practice. We do not want the new idea of truck loads attaching to the rates. You are going to attach something new to the rates. 1800. Upon the terms of the trader getting a concession if he takes advantage of it?—We are not asking for a concession in the rates over and above what we are getting to-day.

1801. The proposal on the other side is, it would be such and such a ton rate but a lower price if a truck load?—Let me put it in this way. To-day we get a special rate for, say, india-rubber, from Manchester to London, two ton loads. I am taking two tons for the moment. I grant you india-rubber two tons in one truck is a reasonable thing, but suppose you made it 10 tons and to-day's rate is 10 tons, 10 ton lots or 10 tons loads, that rate would apply to it whether the traffic was loaded in one or two wagons, but if you are going to attach to the new rate truck loads then you are raising the rate if the trader uses two wagons, you are attaching new conditions to the same rate, because we are only asking you the scale present day rates, or what rates would come on the present day basis. We do not want you to alter the conditions to truck loads. We have experienced such trouble with these rates.

1802. *Mr. Jepson*: Do not you think if this general principle were adopted the trade would soon drop into it. Instead of sending an order for 7 tons of grain, if the rates were grain 5 tons per truck, so much per ton, you would get orders for 5 or 10 tons?—Yes, if you standardise your wagons.

1803. That would not matter. Suppose you get a 6 or 8 or 10 ton wagon, if it was 5 tons per truck for grain it would not matter to you, would it?—If I sent 8 tons and you gave me one 8 ton wagon, you

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get a 5 ton rate, but if you gave me 4 two ton wagons I should have to pay for one wagon for 5 tons.

1804. Do not assume 4 ton wagons for the moment, let us assume that the weight per truck is governed by the smallest truck in general use?—Well, 6 tons.

1805. Then you are not hurt, are you? If an 8 or 10 ton truck is put on you are not hurt?—If I give you a 10 ton consignment and you put me in a 10 ton truck I get the benefit of the 5 ton rate, but if you put me in two 6 ton trucks I have to pay for 4 tons at the higher rate.

1806. That is under present conditions?—Yes.

1807. I was getting away to the future. If it was fixed as a reasonable thing 6 tons per truck and a 6-ton wagon would carry 6 tons of grain, it would not matter, you would get your orders 6 or 8 or 10 or 12 or 24 tons and so on, and the trade would accommodate itself to the new conditions if fair and reasonable.—No doubt it would. It would mean my ordering two more tons of grain than I wanted.

Instead of 19 tons I should have to order a 12-ton lot of grain. The "smalls" scale for parcels by merchandise train should still remain up to 3 cwt., and the minimum weights per package and per consignment should not be increased. That is the railway companies' proposal in their reply, to make every package 28 lbs.

1808. *Chairman*: That is in the present?—No, that is not the present existing system. The two existing scales should be merged into one.

1809. *Mr. Acworth*: Does that mean passenger and goods train?—No, there are two scales in the railway general classification, one applicable to English and Welsh railways and another to Scotch and Irish. These two should be merged into one, the trader must be free to cart the whole or any of his traffic, but in cases of consignments of less than one ton the railway companies should be empowered to cart unless otherwise instructed in writing.

1810. *Mr. Jepson*: That is a very fair arrangement, it seems to me.—I should think so.

1811. On behalf of the traders to leave the railway company to cart the light stuff and the trader can cart everything over a ton?—The trader, if he wishes to do so, can cart everything over a ton, and you give him a rebate. It is fairer to you, because you can without any demer cart your consignments under one ton straight away, but if you are going to charge actually for cartage and use horse lorries it might pay me better to send my motor lorries.

1812. Do not you think that it would be fair to the railway company that the trader should say, "I am going to cart the whole of my traffic," but if not he should leave it to the railway company to cart the whole?—No, I might be dealing with small and large consignments. I do not want to send a motor lorry to the railway company's yard for two or three cwt. where you can do it in part delivery with other traffic. I send it for big loads, but it would not pay for one cwt., whereas it would pay the railway company to deliver along with other people's traffic. Traders having private sidings should be charged as for conveyance only at the standard, the standard or special rates operative for their traffic, the rate being arrived at on the actual working distance from the traders' siding by the shortest workable route, and if at the scale rate, should be charged less the station and service terminals shown on the scale. All special rates should be submitted in analysis form as regards any allowance therefrom, to the tribunal for its sanction. So that when you make up a special rate, at the time you make it up you will allocate something for the services which the trader claims, and even if you allocate nothing the trader will understand when it is put on the books the terms of that rate, instead of it having to be fought out afterwards in the Courts. Also the private siding owner could claim that special rate less services stated. In the

event of any light railways, dock railways, or statutory railways not being merged in any general scheme, the powers of the tribunal should also be made to apply to these railways. There are a number of railways to-day which do not come under the Ministry of Transport, and those railways are being prejudiced one way or another, and we wish them included in this general scheme. It is a very serious thing for the special traders whom I represent in Trafford Park, because we are being very much hit under the present system.

1813. *Mr. Acworth*: You are a canal?—No.

1814. What is Trafford Park? It is not a part of the Manchester Ship Canal?—No, it is an estate adjoining the Manchester Ship Canal.

1815. What is it legally? What is the railway? There is a statutory railway somewhere there?—Yes, there is the Ship Canal Company's railway on one side, and the Trafford Park Railway on the estate itself, which is a statutory company and has connections with the Manchester Ship Canal and the Cheshire Lines Committee. It is an intermediate small company between the Ship Canal Company and the Cheshire Lines.

1816. Is it under the Ministry of Transport?—No, and the traders are very much hit on that account.

1817. Why is it not, if it is a statutory railway?—I do not know. Mr. Jepson perhaps can tell you more about that, or perhaps Mr. Marriott can.

*Mr. Jepson*: I know the Trafford Park Railway is not a controlled railway under the Ministry of Transport, nor is the Manchester Ship Canal Railway.

1818. *Mr. Acworth*: If you say not a controlled railway, but I thought you meant had no jurisdiction over it. He has the same jurisdiction he has over any other non-controlled railway?—It is a non-controlled railway, and we want it to come under the scheme of through rates so that we can have rates to our sidings.

1819. *Mr. Balfour Browne*: Neither of these railways were taken possession of, and it was only controlled railways that were taken by the Ministry?—Under the group system the area of the group should be developed having regard to the commodities carried, the expansion of trade in a district, also in ratio to the distances the traffic is carried, smaller groups on the short distances, the larger groups on the longer distances.

1820. *Mr. Martin*: Does that mean a great number of groups?—No, not necessarily, no greater number than there are to-day unless the district expanded or it was necessary for a particular traffic.

1821. It has not been considered on the lines of the suggested four groups?—No.

1822. *Mr. Jepson*: This is not dealing with the grouping of railways; this is grouping of areas for the purpose of rates?—Like the Birmingham group, and so on.

1823. You are not suggesting any alteration?—No.

1824. *Mr. Martin*: The question was to divide the railways in England into four groups?—I am not referring to that, I have not considered that. I did not think that was in the province of this inquiry. The foregoing proposals will require legislation, and it would be of advantage to all concerned if a Railways Consolidation Act were passed in which should be merged the past legislation of railways and the carriers in so far as rates, tolls, and charges, and the jurisdiction of same are concerned.

*Chairman*: I very much agree with that last remark. Whether it will be done or not I do not know.

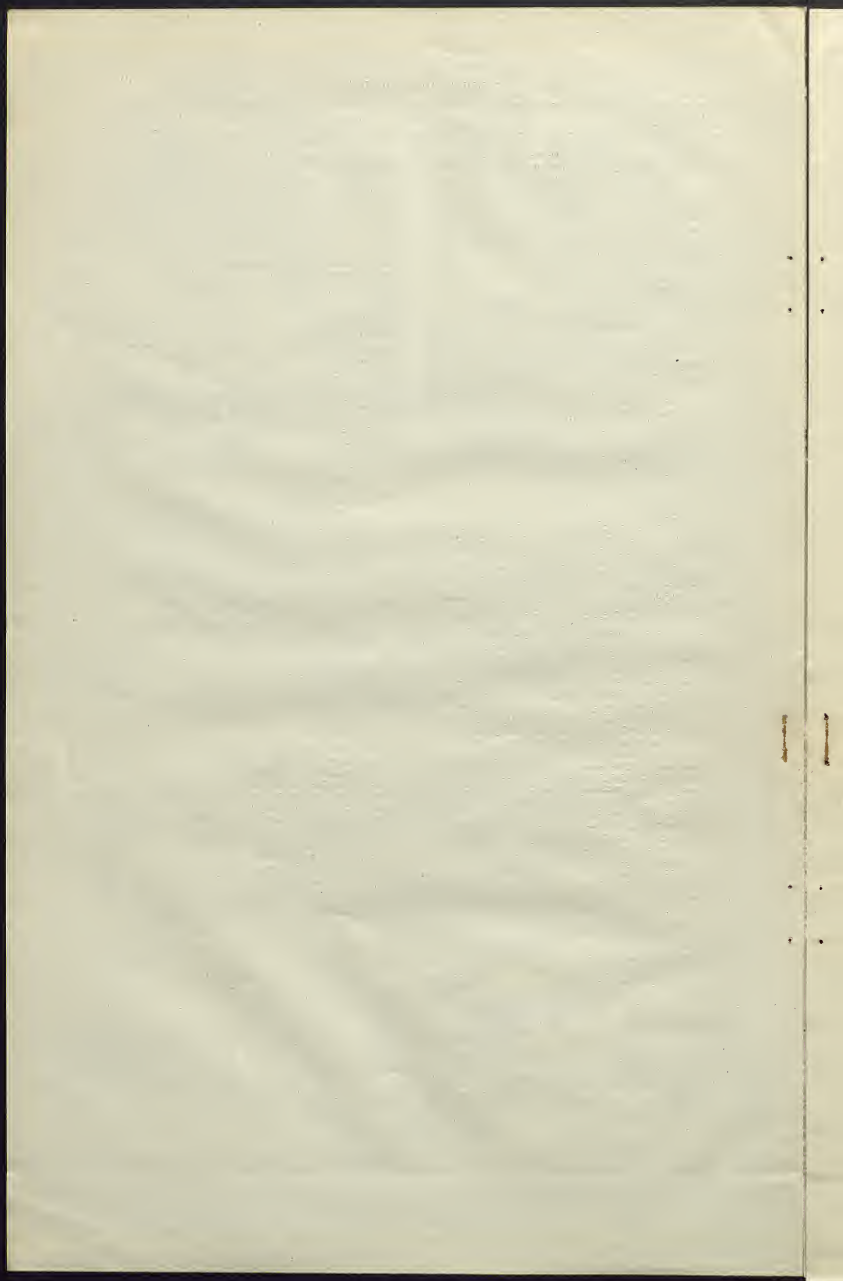
*Sir Lynden Macassey*: I should like to put a few questions.

1825. *Chairman*: Very well, will you do so in the morning? I suppose the gentleman is remaining here.

*Witness*: Yes.

(Adjourned till to-morrow at 11 o'clock.)



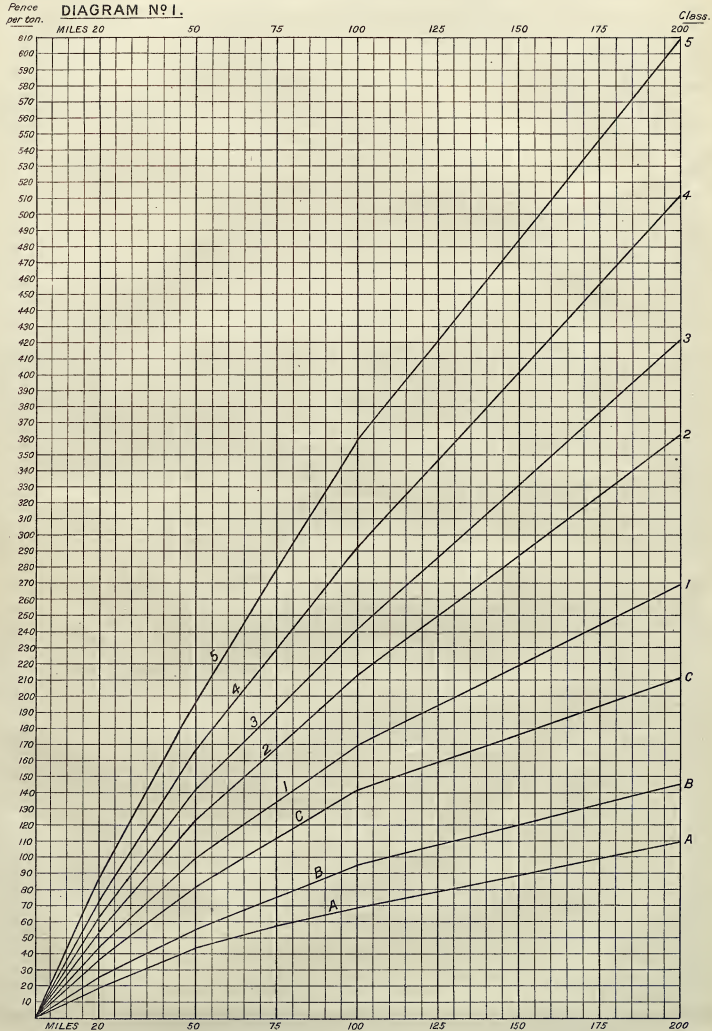


# MAXIMUM CONVEYANCE RATES.

(Based on General Scale applicable to  
G.N., G.W., and L.&N.W. Railways).

Pence  
per ton.

DIAGRAM Nº 1.



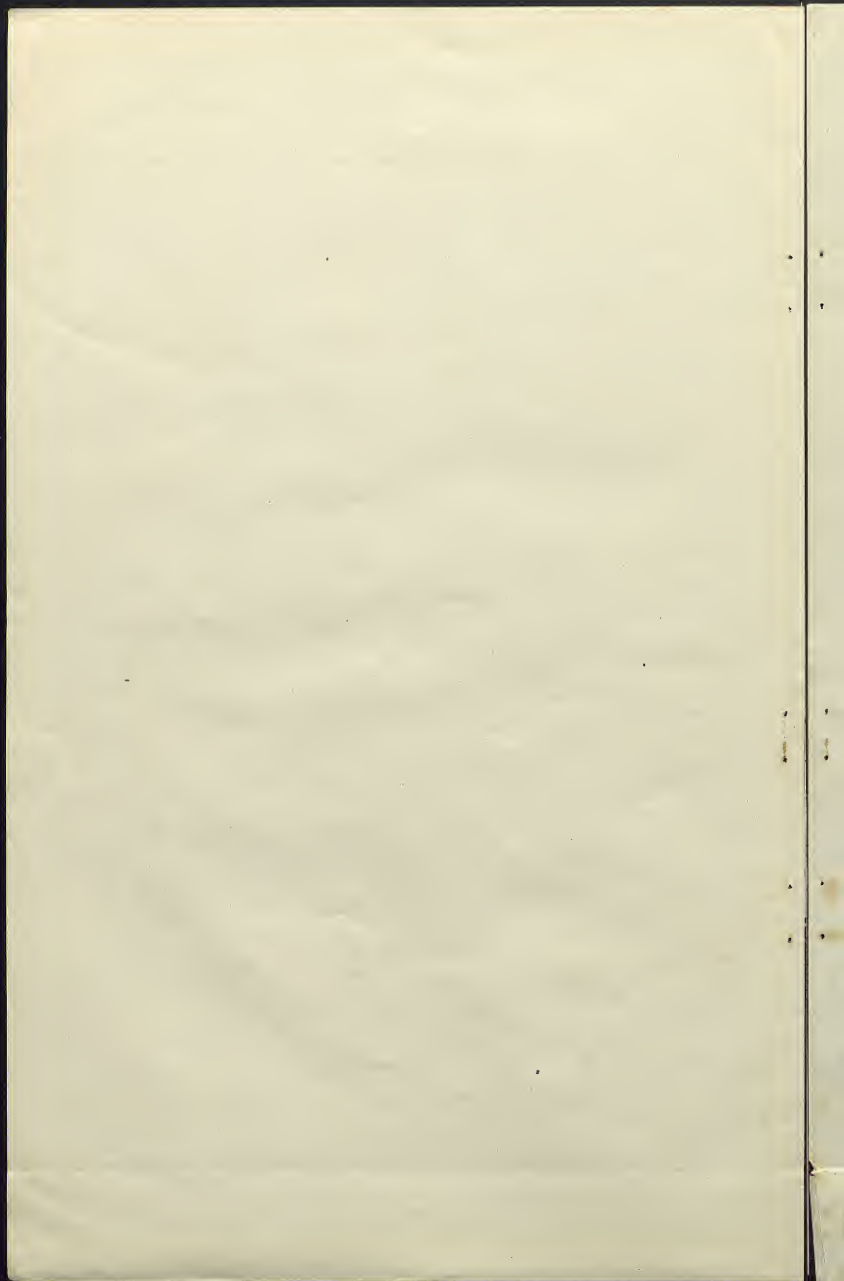
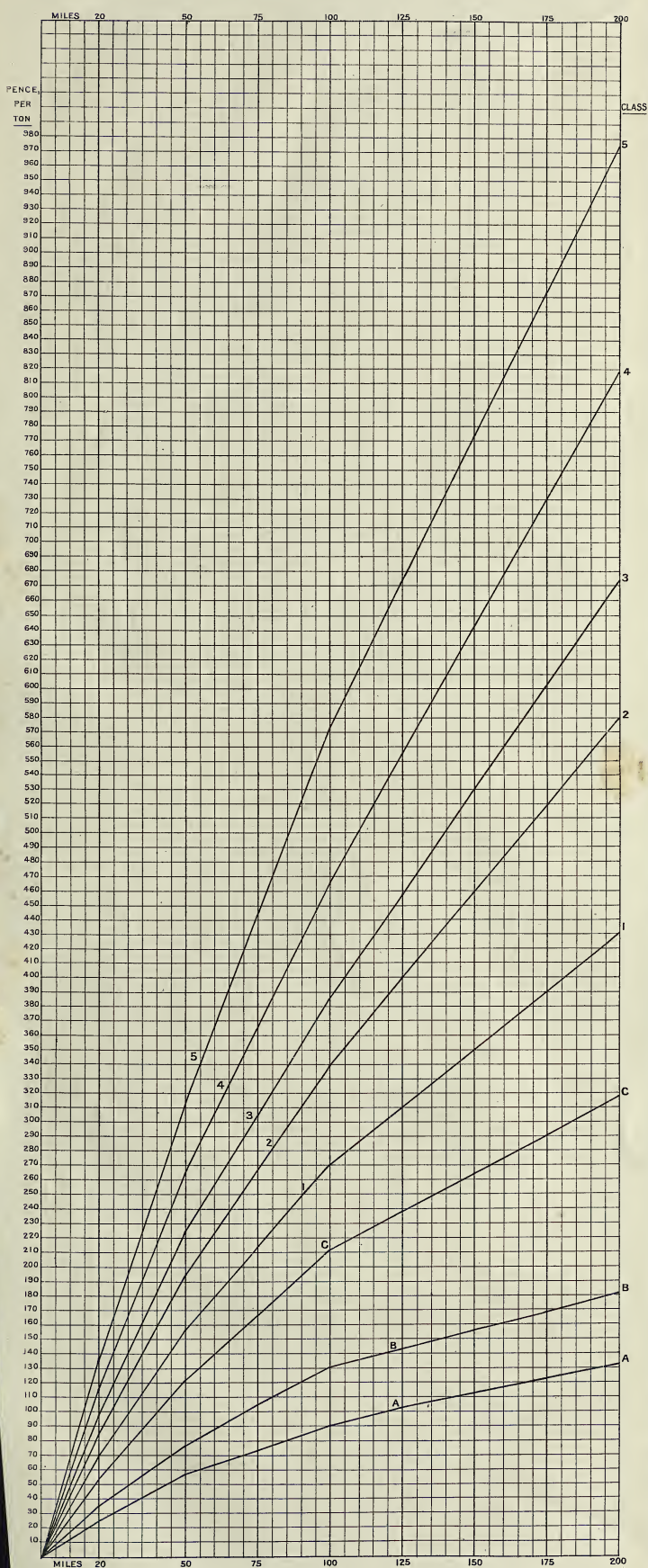


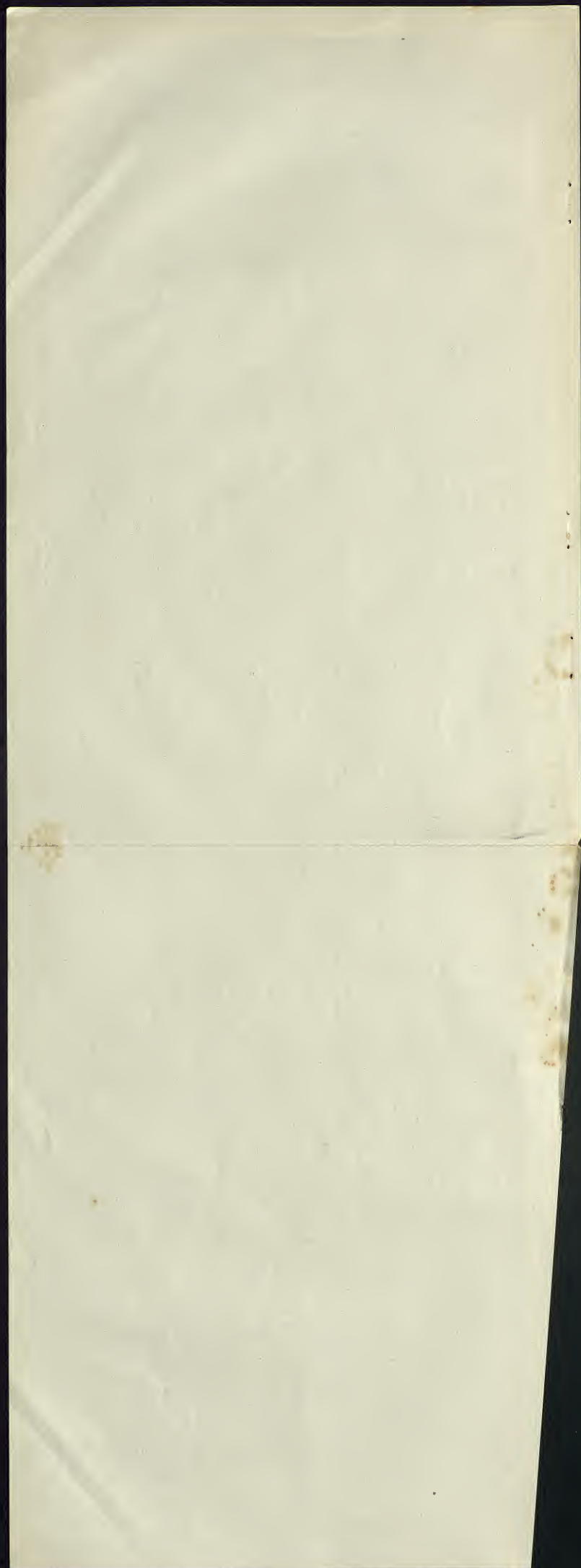


DIAGRAM N° 2.

MAXIMUM CONVEYANCE RATES, plus 1920  
increases (based on the General Scale applicable to the  
G. N., G. W. and L. & N. W. Railways, with the addition  
of the percentage increases which operated from  
15<sup>th</sup> January, 1920.)

For the purposes of this diagram the flat increases  
have not been included but effect has been given to the  
operation of the minimum and maximum increases  
on Classes "A" and "B."





# MAXIMUM STATION & SERVICE TERMINALS. AT EACH END.

DIAGRAM 3.

